LexMedia
CHANNELING THE VISION
1001 Main Campus Drive, Lexington MA 02421, 781-862-5388

October 31, 2014

Carl F. Valente, Town Manager
Town of Lexington
1625 Mass Ave
Lexington, MA 02420

Dear Carl:

Pursuant to Exhibit A Section 13:Reporting Requirements of the contract between the Town of Lexington and LexMedia for the period July 1, 2014 to June 30, 2017, please find attached LexMedia Annual Report for FY2014 and supporting documents.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Florence DelSanto
Executive Director, LexMedia

LexMedia Annual Report

From the Executive Director

The LexMedia Board of Directors and I are pleased to present you with the FY2014 Annual Report. LexMedia has fulfilled its contractual obligations to the Town of Lexington and is in sound financial health with excellent financial controls and oversight provided by the finance committee.

Our volunteer membership numbers have grown to over 500 individuals and organizations. We owe them a debt of gratitude for the hours of their time and for their support of our mission. It is the interests of our membership that drive content of the LexMedia channels.

This past year LexMedia has produced over 800 hours of original local programs. This is consistent with the past two years. Roughly 50% of original programs are dedicated to the government channel, 30% to the education channel and 20% to the education channel.

One of our biggest accomplishments from this past year was the launch of the RCN high definition (HD) channel. It was the first public access HD channel on a privately owned cable television system in Massachusetts and one of very few in the country. Although there have been technical challenges getting the new channel running smoothly, it has increased our reputation within the access community and established LexMedia as an industry leader. So much so that we were invited to speak at the Alliance of Community Media national conference on HD technology.

This past year LexMedia was also recognized with two national awards. We won two First Place Hometown Media Awards for programs produced by our volunteers. The Hometown Media Awards are presented by The Alliance of Community Media, which is an umbrella organization that connects over 1500 community TV studios nationally.
The competition is stiff with programs from cities and towns large and small competing directly against each other over dozens of categories. “This Mom Needs Help” won in the Instructional category and “From Scratch” won in the Entertainment and Art category.

These accomplishments represent significant maturation for LexMedia. I would like to thank The Board of Directors for their support and guidance and the LexMedia staff for their hard work and dedication.

A) Complete financial review by independent outside auditor.
A financial review of LexMedia, performed by Anstiss Certified Public Accountants, is attached to this report.

B) Inventory of all equipment.
A check of the inventory was conducted in person by CAC members Linda Roemer and Steve Iverson on May 19, 2014

C) Budget for the next year by category.
A budget was a submitted with the Business and Capital Plan. That plan was approved by the LexMedia Board of Directors and submitted to the CAC in June 2014. It is also attached to this report.

D) Fundraising Plans for the next year to meet the fundraising targets
We have set our fundraising target at $11,500 for FY2015. We plan to place increased emphasis on studio rental opportunities and are forging new relationships with professionals in need of studio space, especially the kitchen studio. We also plan to increase special interest classes like the summer movie making class and will target DVD sales opportunities.

We continue to de-emphasize fundraising from donations and membership fees. We believe this is appropriate, given that residents are already making a contribution through the PEG access fees in their cable bills.

E) Number of hours by type of programming planned for the next year
The total number of programming hours for FY2014 was 1182 hours. The breakdown of categories is: 424 of government programming, 191 hours of education programs, and 568 hours of public programming.

Locally produced original programming made up 828 of those 1182 hours across all three categories.

Next year we project that we will produce roughly the same 800 hours of programming: 50% government, 30% public, and 20% education.

F) Plans for expanding existing services and adding new services for the next year, and planned sources of funding for this expansion.
Working within the approved budget we plan to make additional use of our studio to host programs for the Special Town elections. We also plan to continue working with, and encouraging, community groups who want to produce their own shows in the studio. The League of Women Voters has expressed interest. Lexington High school students have also planned shows on the subjects of 1) sports and 2) technology reviews.

Upgrades to our HD program server will provide easier access to the emergency notification system on all four channels. We plan to provide town departments with direct links to the server. This will allow them to make town-wide notifications without the need for LexMedia oversight.

We also plan to explore the possibility of adding cost effective technology for close - captioning service to some government programming. This will only be possible with an outside source of funding. Possible sources include the Town PEG Access fund, business or corporate underwriting and grant awards.

As plans for the new community center come to fruition we will also investigate and pursue the ability to broadcast using Internet protocol from that location.

G) Plans for equipment upgrades for the next year

1) Facilities Upgrades:
Air-conditioning for the edit room and master control - $10,000
New Inventory/ Check-out Management System $5,000

2) Broadcast Equipment Upgrades
Broadcast Server - $50,000

3) Field Recording Upgrades
Two new (members) field cameras - $6,000

4) Studio Upgrades
IFB In-Ear monitors - $2,000

H) Plans for expanding training capabilities for the next year.

We will continue targeting our training to the needs of the community. Emphasis will be placed on improved lighting and audio training to take full advantage of our HD channel and equipment. We have plans to work more with teachers at the Diamond and Clarke middle schools. We are developing a student journalism training program at Diamond and at Clarke we have partnered with the drama department to train them in documentary production.

Additional:

Updated List of LexMedia Board Members

DAVID ILSLEY, Chairman
JAMES SHAW, Vice Chairman
COLLEEN SMITH , Secretary
TIMOTHY COUNIHAN, Treasurer
WILLIAM KOEFED
EPHRAIM WEISS
SUSAN ROCKWELL

STEVE ISENBERG
BETSY REYNOLDS
JEFFERY LEONARD
KATHLEEN BELL
FREDRICK JOHNSON

Attachments:
Independent Auditor's Report
Business and Capital Plan FY2015-17, Approved June 2014

Lexington Community Media Center, Inc.

Financial Statements

For the Years Ended June 30, 2014 and 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lexington Community Media Center, Inc.

We have audited the accompanying financial statements of Lexington Community Media Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses 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.

Auditor's 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 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 Lexington Community Media Center, Inc. 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.

Prior Period Financial Statements
The 2012 financial statements were reviewed by us and our report thereon, dated October 17, 2013, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Anstiss & Co., P.C.

Anstiss & Co., P.C.
October 6, 2013

Lexington Community Media Center, Inc.
Statements of Financial Position
As of June 30, 2014 and 2013

	Audited 2014	Reviewed 2013
Assets		
Current assets		
Cash and cash equivalents	145,564	94,208
Accounts receivable	28,288	27,737
Other current assets	2,062	11,842
Total current assets	175,914	133,787
Fixed assets		
Leasehold improvements	500,480	500,480
Studio equipment	465,760	448,039
Computer equipment	49,178	46,948
Furniture and fixtures	38,172	38,172
Total fixed assets	1,053,590	1,033,639
Less : accumulated depreciation	(485,259)	(392,885)
Fixed assets - net	568,331	640,754
Total assets	$ 744,245	$ 774,541
Liabilities and Net Assets		
Current liabilities		
Accrued payroll and vacation	10,622	7,537
Accrued expenses	1,687	14,055
Deferred revenue	30,000	30,000
Total current liabilities	42,309	51,592
Net assets		
Unrestricted	665,722	722,949
Temporarily restricted	36,214	-
Total net assets	701,936	722,949
Total liabilities and net assets	$ 744,245	$ 774,541

Lexington Community Media Center, Inc.
Statements of Activities
For the Years Ended June 30, 2014 and 2013

	Audited 2014			Reviewed 2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenues						
Franchise fees	$ 344,155	$ -	$ 344,155	$ 332,838	$ -	$ 332,838
Franchise fees - capital funding	-	58,283	58,283	-	58,283	58,283
Other income	15,440	-	15,440	12,941	50	12,991
Investment income	138	-	138	137	-	137
Membership dues and contributions	120	-	120	286	-	286
In-kind donations	-	-	-	10,000	-	10,000
Net assets released from restriction	22,069	(22,069)	-	58,333	(58,333)	-
Total support and revenues	381,922	36,214	418,136	414,535	-	414,535
Operating expenses						
Program services - public assess	343,791	-	343,791	331,505	-	331,505
General and administrative	95,358	-	95,358	96,076	-	96,076
Total operating expenses	439,149	-	439,149	427,581	-	427,581
Change in net assets	(57,227)	36,214	(21,013)	(13,046)	-	(13,046)
Net assets - beginning	722,949	-	722,949	735,995	-	735,995
Net assets - ending	$ 665,722	$ 36,214	$ 701,936	$ 722,949	$ -	$ 722,949

The accompanying notes and auditor's report are an integral part of these financial statements.

Lexington Community Media Center, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2014 and 2013

	Audited 2014			Reviewed 2013		
	Program Services - Public Access	General and Administrative	Total	Program Services - Public Access	General and Administrative	Total
Personnel costs	$ 207,379	$ 74,687	$ 282,066	$ 161,306	$ 73,051	$ 234,357
Depreciation	88,679	3,695	92,374	87,188	3,633	90,821
Professional fees	12,424	3,795	16,219	40,358	3,931	44,289
Studio and computer	18,491	318	18,809	21,740	228	21,968
Other	4,680	5,533	10,213	10,889	8,908	19,797
Occupancy expenses	10,997	7,330	18,327	9,488	6,325	15,813
Production van	1,141	-	1,141	536	-	536
Total	$ 343,791	$ 95,358	$ 439,149	$ 331,505	$ 96,076	$ 427,581

The accompanying notes and auditor's report are an integral part of these financial statements.

Lexington Community Media Center, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2014 and 2013

	Audited 2014	Reviewed 2013
Cash flows from operating activities		
Change in net assets	$ (21,013)	$ (13,046)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	92,374	90,821
Gain on sale of assets	-	127
Changes in assets and liabilities		
Increase in accounts receivable	(551)	(732)
Decrease (increase) in other current assets	9,780	(1,617)
Increase (decrease) in accrued payroll and vacation	3,085	(2,560)
(Decrease) increase in accrued expenses	(12,368)	10,555
Net cash provided by operating activities	71,307	83,548
Cash flows from investing activities		
Proceeds from sale of fixed assets	-	14,000
Purchase of fixed assets	(19,951)	(115,455)
Net cash utilized by investing activities	(19,951)	(101,455)
Net increase (decrease) in cash	51,356	(17,907)
Cash - beginning	94,208	112,115
Cash - ending	$ 145,564	$ 94,208
Supplemental disclosures		
In-kind contributions	$ -	$ 10,000

Lexington Community Media Center, Inc.
Notes to Financial Statements
June 30, 2014 and 2013

Note 1 - Organization

Lexington Community Media Center, Inc. (the "Organization") was organized in May of 2005 to provide facilities and equipment to train residents in the production and distribution of local television programming on the Public, Educational, and Governmental ("PEG") access channels on both RCN and Comcast cable television systems operated in the Town of Lexington.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis of Presentation
Financial statement presentation follows the recommendations of the ASC 958-205, *"Presentation of Financial Statements."* Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

<u>Unrestricted Net Assets</u>
Unrestricted net assets comprise those assets upon which donors have placed no restrictions on expenditure of the principal or income subject to the approval of the Organization's Board of Directors.

<u>Temporarily Restricted Net Assets</u>
Net assets subject to donor imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time are classified as temporarily restricted. 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. As of June 30, 2014 and 2013 the Organization had temporarily restricted net assets of $36,214 and $0, respectively.

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of June 30, 2014 and 2013, the Organization had no permanently restricted net assets.

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

Cash and Cash Equivalents

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization considers highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Fair Value of Financial Instruments

The Organization follows the provisions of ASC 820-10 *"Fair Value Measurements."* ASC 820-10 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Note 2 - Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

<u>**Level 3**</u> – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

ASC 825-10, "*The Fair Value Option for Financial Assets and Financial Liabilities,*" permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. Lexington Community Media Center, Inc. has not adopted any of the additional fair value options allowed in the standard.

Accounts Receivable

The Organization carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on the history of write-offs, collections, and current credit conditions. As of June 30, 2014 and 2013, there was no allowance for doubtful accounts.

Fixed Assets

The Organization capitalizes major purchases of fixed assets that are not in the nature of replacements or repairs. Minor equipment purchases, replacements, maintenance, and repairs that do not significantly enhance the value or increase the basic productive capacity of the assets are charged to expense as incurred. Capitalized fixed assets are recorded at cost if purchased or constructed, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets capitalized as follows:

	Years
Leasehold improvements	6-40
Studio equipment	3-5
Computer equipment	5
Furniture and fixtures	7

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Organization follows ASC 958-605 *"Accounting for Contributions Received and Contributions Made."* In accordance with ASC 958-605, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

Franchise Fees

The Organization has been recognized by the Town of Lexington, Massachusetts, through Contract #10-25, dated October 2010, as the provider of telecommunication access services as referenced in separate Franchise Agreements between the Town and RCN and Comcast cable systems. The Organization receives its primary source of support from this agreement.

The contract with the Town dated December 2010 expired June 30, 2014. Effective July 1, 2014 this contract was extended for an additional three year through June 30, 2017. Under the current agreement the Organization will receive monthly payments of $30,190 adjusted annually based on the Boston Area Consumer Price Index for All Urban Consumers (CPI-U) for the prior calendar year ending December 31st. In addition, the Organization will receive $59,084, adjusted annually based on the CPI-U, for capital expenditures, and $22,492 annually for cablecasting of additional town meetings and indexing.

Donated Services

The Organization receives services from volunteers in various aspects of its programs and fundraising events. No value has been placed upon other donated services, as there is no objective basis for valuation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes and Uncertain Tax Positions

The Organization has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3) and is, therefore, generally exempt from federal and state income taxes. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements.

ASC 740-10, "*Accounting for Uncertainty in Income Taxes,*" requires the Organization to evaluate and disclose tax positions that could have an effect on the Organization's financial statements. The Organization reports its activities to the Internal Revenue Service and to the Commonwealth of Massachusetts on an annual basis. These informational returns are generally subject to audit and review by the governmental agencies for a period of three years after filing. Substantially all of the Organization's income, expenditures, and activities relate to its exempt purpose, therefore, management has determined that the Organization is not subject to unrelated business income taxes and will continue to qualify as a tax-exempt, not-for-profit entity.

Note 3 - Net Assets Released from Restrictions

Net assets released from donor restrictions by investing in fixed assets and by incurring expenses satisfying the restricted purposes specified by donors amounted to $22,069 and $58,333 during the years ended June 30, 2014 and 2013, respectively.

Note 4 - Commitments

The Organization entered into a ten year sublease with the Town of Lexington for new office space commencing March 2008. Rent Expense for the period ended June 30, 2014 and 2013 was $120. The future minimum rental payments are as follows as of June 30:

2015	$ 120
2016	$ 120
2017	$ 120
2018	$ 120

Note 5 - Contingencies

In accordance with the agreement signed with the Town of Lexington, any and all equipment and furnishings acquired by the Organization with funds provided by the agreement shall be the property of the Town.

Note 6 - Concentrations

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management considers credit risk to be minimal.

The Organization is primarily funded by the Town of Lexington pursuant to an agreement which authorizes the Organization to act as the Town's designated public access agent. The cable franchise and capital funding fees represent approximately 96% of total support and revenue for the years ended June 30, 2014 and 2013.

Note 7 – Subsequent Events

ASC 855-10, *"Subsequent Events,"* defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with ASC 855-10, management has evaluated events subsequent to June 30, 2014 through October 6, 2014, which is the date the financial statements were available to be issued. There have been no material events noted during this period that would either impact the results reflected in this report or the Organization's results going forward.

Business and Capital Plan
Lexington Community Media Center
FY2015-2017
Approved June 16, 2014

Lexington Community Media Center (LexMedia) is a non-profit 501(C)(3) organization, which manages the community access channels for the town of Lexington, Massachusetts. The channels are broadcast on Comcast, RCN and Verizon. They are also streamed live on the LexMedia.org website and on the LexMedia mobile app. The center offers television production and media training to support its members and encourages creative expression.

LexMedia Mission Statement
The Purpose of LexMedia is to develop, establish and maintain a Media Center to facilitate learning and to meet the needs of the Lexington community by offering media education and community programming.

Over the course of the first three years of this contract, FY2012-2014, LexMedia has demonstrated both managerial and financial stability. LexMedia has met and exceeded expectations in serving the community with critical programming – public meetings of Town government, school events, churches and other community organizations, in addition to the creative expression of individual residents willing to invest the time, talent, and energy in program development - whether the format be interview, cooking, pet care or other.

LexMedia has worked to stay abreast of new technology such as improvements to the "state of the art" production facility and equipment. We are leading other PEG cable stations by collaborating to deliver high definition broadcasts. We upgraded our equipment to provide Internet access to on demand programming, live broadcast streaming and a mobile platform.

LexMedia Vision
Over the next three years, LexMedia will direct the majority of its efforts to further understand the communication environment, media and our audience, to ensure that LexMedia remains a vibrant local brand. LexMedia will strive to make strategic investments in the content produced and the ever-evolving platforms through which the audience is engaged.

LexMedia Goals
LexMedia goal for the next phase of the contract is to maintain this high quality of performance in operational and financial management and in programming. We have also defined the following new goals for growth.

1. **Diversifying the audience** to be representative of the demography of our community. An objective of the plan is to engage all segments of our

community both in production and viewership. We will work to achieve greater participation by all groups.

2. **Continuing the application of new technology** by upgrading or replacing equipment as it becomes obsolete. Anticipated actions include installation of equipment for remote broadcast and recording in sites with the highest likelihood of being points of program origination. Commitment has already been made to equip all such spaces in the Cary Memorial Building as it undergoes its renovation in 2014-2015. Our goal is to secure similar commitments to other spaces, e.g. the Lexington High School Gymnasium, the Historical Society's Depot, the new Community Center. We plan to investigate cost effective technology for close-captioning service of some government meetings and the ability to broadcast using Internet protocol.

3. **Right-sizing, and market compensation for our staff**. For the scale of our operation compared to those of similar communities around us, we have fewer full-time people and the ones we have are paid less. This has two outcomes: It limits our ability to attract new talented people, and it limits our ability to retain qualified staff. Our current staff accomplishes remarkable work despite these limitations. But that accomplishment is not sustainable under current budgetary constraints.

Projected Capital Plan FY2015-2017
In order to accomplish the above goals we will require additional funding as outlined below. We believe capital funding is sufficient for projected equipment needs. However, if we are successful in finding cost effective options for close-captioning, broadcast over IP and additional program origination sites we may seek additional funding.

1) Facilities Upgrades
Air-conditioning for edit room and master control - $10,000
Increased exterior signage $1,000
Inventory/ Check-out Upgrade $5,000

2) Broadcast Equipment Upgrades
Broadcast Server - $45,000
Master Control Room upgrades - $10,000

3) Field Recording Upgrades
One Beyond Portable Camera & Recording System - $30,000
Two heavy-duty field tripods - $2,000
Two new (members) field cameras - $6,000
Two new field (advanced members) cameras - $10,000

4) Edit System Upgrades
Additional Edit system for Production Manager - $5,000

5) Studio Upgrades
IFB In-Ear monitors - $2,000
Wide-angle lens for studio camera - $ 5,000
New Set Pieces -$5,000
LED Lighting - $38,000
Studio Tripod - $6,000

Projected Operating Budget 2015-2017

Expenses going forward are substantially proportional to what they have been year-to-date in FY2014. Included is an additional $40,000 in FY2015 over FY2014 in personnel costs to address right sizing and market compensation for the staff. We also have estimated 2% for the annual cost of living increases for the next 3 years.

	FY15	FY16	FY17
Personnel	$260,025	$265,226	$270,530
Benefits	$50,581	$51,592	$52,624
Outside Services	$31,228	$31,853	$32,490
Occupancy	$6,048	$6,169	$6,292
Studio	$12,645	$12,898	$13,156
General/Administrative	$25,400	$25,908	$26,426
Total Expenses	$385,927	$393,645	$401,518