

Minneapolis Telecommunications Network

2014 Annual Members Meeting

Room 317, City Hall

Friday, October 3, 2014, 1:00 pm

AGENDA

I. Annual Report

- A. Meeting opening & roll call of members
- B. Introduction and acknowledgement of outgoing Board Chair, Peter Larsen
- C. Address by MTN's Board Chair, Anita Urvina Davis
- D. Introduction of MTN's executive director, Michael Fallon
- E. Director's presentation: Annual Members Meeting Report

II. Open Session

- A. Comments and questions from members and general public
- B. Closing comments, recognitions, and thank yous



**Your Community.
Your Voice.**

A horizontal bar composed of three colored segments: green on the left, orange in the middle, and blue on the right.

Annual Members Meeting Report

October 3, 2014



Report Outline

- **Introduction**
- **Challenges in 2014**
 - Continued budget stress
 - Aging equipment
 - Public, funder engagement
 - Small staff = heavy workloads
- **Successes in 2014**
 - Reworked, clarified organizational rules & policies
 - Renewed vision
 - Dedicated, versatile staff members
 - Growth in youth progs., production services, outreach
 - New services & programs



Introduction to MTN

Minneapolis' public access provider since 1983

Nine board members appointed by City Council & Mayor
City Liaison, John Harrison, Communications Office

5 full-time staff

4 part-time

Various freelance

Funded through PEG fees paid to city by Comcast Cable

Final allotment for 2014 = \$497,496 (-\$200,000+ since 2011)

Proposed for 2015 = \$472,496 (0% increase)



Introduction to MTN

MTN's programs and services:

- Youth programs — Nearly 200 youth served in 2014
- Production services — Cost-effective media work for range of city entities, public partners
- Facilities and equipment — Nearly 300 member/users
- Staff to maintain, equip, & operate Access Center and program channels
- Channels on Comcast Cable Network:



Connect



CREATE



Inspire



Challenges in 2014

Continued budget difficulties:

- FY 2014 = 2nd straight budget deficit
- Funder ambivalence; again excluded from Legacy Funds
- Limited new equipment purchases
- Little individual giving
- Near-complete board turnover
- Increasing staff work loads
- No staff raises in 2014
- Insurance cost increases in 2015



Successes in 2014

Revamped vision:

- Reworked, renewed organizational rules & policies
- New staff structure = dedicated, versatile staff members
- New services, educational offerings, internships
- Improved, more effective, more valuable youth programs
- Diverse community productions, production services
- Better outreach strategies; connecting with younger media makers, artists, etc.



MTNYouth Changes

Curriculum and Partnership Focus

- Job Skills
- Social Justice
- Community Leadership

No Cost to Youth in 2014

Integrating MTNYouth w/ greater org.

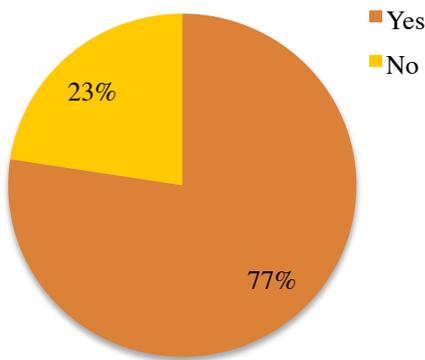




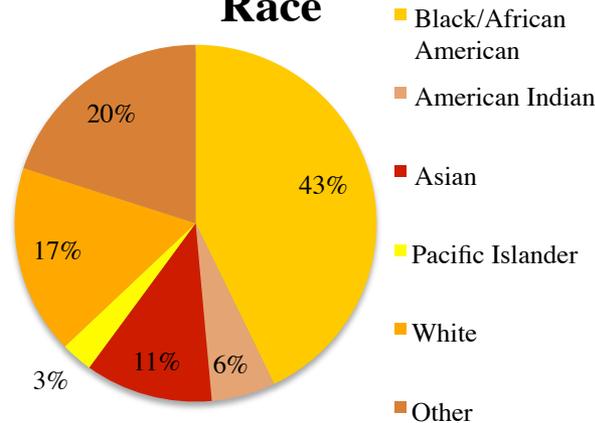
Youth Community Served

- 197 Youth Served- 73% of them trained
- 22 Youth Paid
- 50 Organizations, funders, and individuals
- 9 Teen Freelance Projects

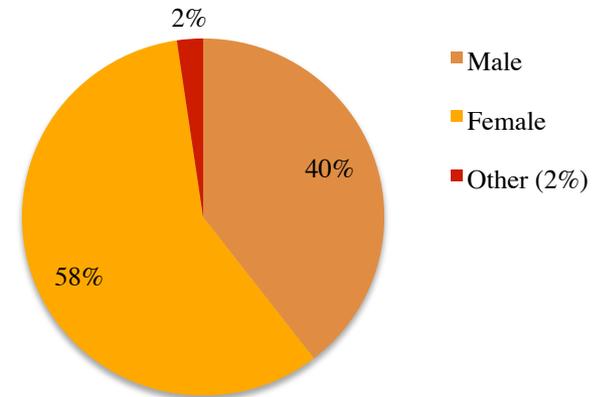
Free/ Reduced Lunch



Race



Gender Identity



Youth Accomplishments

- Queer Media Project
- VOICES @ Broadway High and Green Central
- Step-Up Internships



Teen Freelance

- Hamline University
- Minnesota Spokesman Recorder Graduation Celebration
- Out Twin Cities Film Festival
- PopUp TV #1
- See/Hear
- Community Education at Ramsey Middle School
- Rochester Co. Environmental Sustainability Cohort
- Children's Hospital Turtle Derby
- NorthEast Parade

\$4080 to Youth in 2014



Successes in 2014, cont.

Continuing to serve and represent a diverse city

- 150-200 new community-based TV shows per month
 - 90-100 monthly shows produced at MTN's studios
 - Shows in five languages: English, Somali, Oromo, Spanish, Chinese
- Members = Asian, African American, Latino/Hispanic, Native American, Somali, Oromo, etc.
- Community activists, social justice workers, artists, community journalists, religious communities

MTN's community of members/producers represents the city



Community Production Services

MTN's Sustaining Partnerships

- Hennepin County
- Northeast Parade
- Turtle Derby
- En Familia
- NCEC
- Sister Cities
- Gilbert & Sullivan Light Opera





Community Production Services

MTN's New Partnerships

- MN Dept. of Health
- Indian Health Board
- Global Site Performance
- Minnesota Spokesmen Recorder
- MN Council of Nonprofits
- Emergency Ninja Network Broadcast
- Rochester County Parks & Rec
- True Strides





Community Production Services

MTN's Youth Freelancers

- Provide reduced cost productions
- On the job skills training
- Earning a wage



MTN's Internship

- Provide on the field training
- Membership and access to equipment
- Earning educational credits





Our Renewed Vision

How best to serve community? = Needs assessment:

- **Current community producers** — What innovative programs & services can we provide current community of media-makers?
- **Past members/producers** — What can we learn from the way members used to use our services, spaces, equipment, etc?
- **Young, emerging media artists, cultural creatives** — What can we provide young artists & creatives that would foster the next generation of community-focused media-makers?



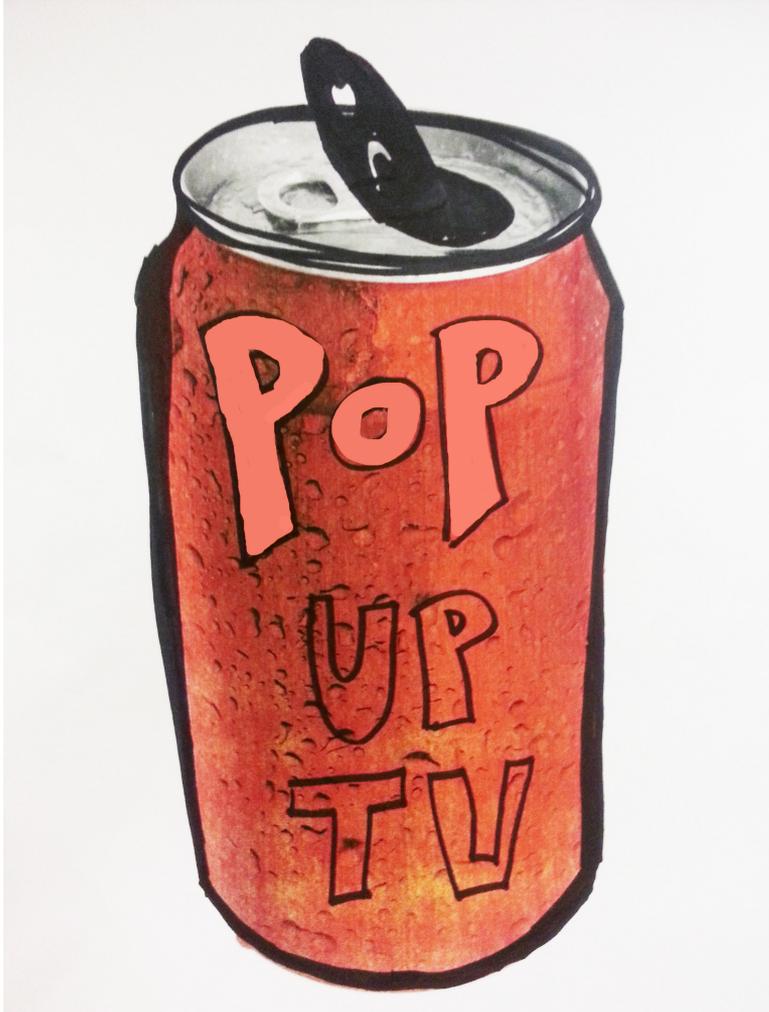
Needs Assessment Results

Conclusions:

- Host more fun gatherings & parties, including discussions or forums, media-maker meet ups, and art events
- Mentorship programs
- Direct funding for media projects
- Better-quality productions & innovative programming
- Training for artists in new media forms and tools
- Staff assistance
- A nurturing community



Marketing and Outreach Initiatives



Pop Up TV is an Outreach Initiative to heighten the community's awareness of MTN.

Focusing on attracting a new set of producers and artists.

50 new people interacted with MTN through two Pop Up TV events.



CREATE





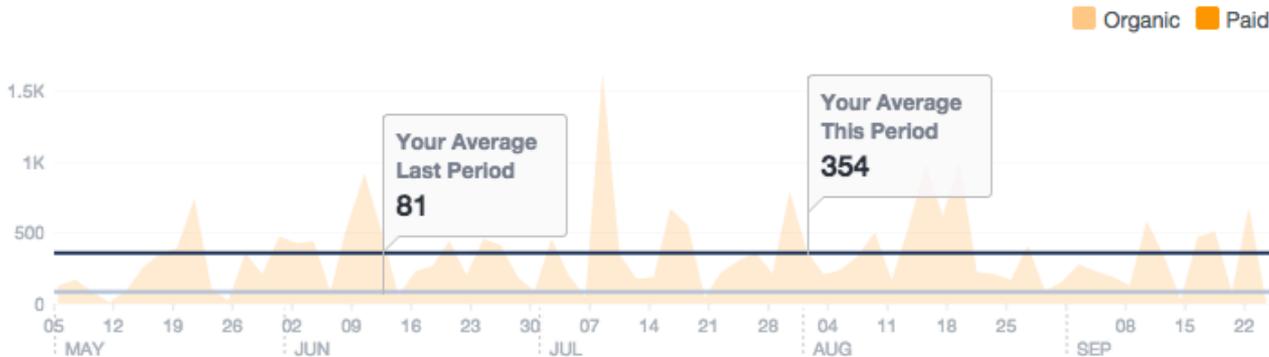
Social Media Traffic

Facebook

Post Reach
The number of people your post was served to.



Total Reach
The number of people who were served any activity from your Page including posts, posts by other people, Page like ads, mentions and checkins.



Facebook Likes

May: 1,730

September: 1,969

Popular Topics: Local Programming on MTN and Media Topics from Outside Media Outlets

Twitter

May: 361 followers

September: 557

4.6k views of Tweets in past month



Our Renewed Vision, cont.

Strategies:

- Seeking vibrant & less costly new space
- Focus on areas of success = youth, production services
- Inventive & dynamic outreach efforts, new partners
- Revamped, re-engaged board; re-engaged public

Goals:

- Stabilized budget
- Upgraded equipment, attractive new programs
- Increased public & funder engagement

**MINNEAPOLIS TELECOMMUNICATIONS
NETWORK, INC.**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

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MAHONEY
ULBRICH
CHRISTIANSEN
RUSS P.A.
CERTIFIED PUBLIC ACCOUNTANTS

30 EAST PLATO BOULEVARD SAINT PAUL, MN 55107-1809
TELEPHONE 651.227.6695 FACSIMILE 651.227.9796

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Minneapolis Telecommunications Network, Inc.
Minneapolis, Minnesota

We have audited the accompanying financial statements of Minneapolis Telecommunications Network, Inc. (MTN), a nonprofit corporation, which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to 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 Minneapolis Telecommunications Network, Inc. as of December 31, 2013, 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.

Report on Summarized Comparative Information

We have previously audited Minneapolis Telecommunications Network, Inc.'s 2012 financial statements, and our report dated August 21, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mahoney Ulbrich
Christiansen Russ P.A.*

Saint Paul, Minnesota
September 5, 2014

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2013
(With Comparative Totals for 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 287,952	\$ 249,015
Cash - fiscal agent	2,729	4,626
Receivables	9,809	13,997
Prepaid expenses	<u>25,913</u>	<u>36,773</u>
Total current assets	326,403	304,411
Investments	44,265	88,266
Property and equipment, net	<u>8,224</u>	<u>16,060</u>
Total assets	<u><u>\$ 378,892</u></u>	<u><u>\$ 408,737</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 5,500	\$ 869
Accrued payroll and related	31,005	32,324
Fiscal agent payable	<u>2,729</u>	<u>4,626</u>
Total current liabilities	39,234	37,819
Net assets:		
Unrestricted net assets	324,658	365,918
Temporarily restricted net assets	<u>15,000</u>	<u>5,000</u>
Total net assets	<u>339,658</u>	<u>370,918</u>
Total liabilities and net assets	<u><u>\$ 378,892</u></u>	<u><u>\$ 408,737</u></u>

See Accompanying Notes to Financial Statements.

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	
Revenue and support:				
City of Minneapolis operating funds	\$ 513,232	\$ -	\$ 513,232	\$ 613,232
Production fees	43,273	-	43,273	63,370
Training and youth	15,590	-	15,590	15,455
Contributions	13,825	20,000	33,825	12,145
In-kind contributions	-	-	-	14,130
Memberships	10,627	-	10,627	9,757
Investment income	1,180	-	1,180	2,875
Other earned revenue	6,250	-	6,250	5,505
Net assets released from restrictions	10,000	(10,000)	-	-
Total revenue and support	613,977	10,000	623,977	736,469
Expenses:				
Program	505,086	-	505,086	504,906
Management and general	150,151	-	150,151	206,978
Total expenses	655,237	-	655,237	711,884
Change in net assets	(41,260)	10,000	(31,260)	24,585
Net assets:				
Beginning of year	365,918	5,000	370,918	346,333
End of year	\$ 324,658	\$ 15,000	\$ 339,658	\$ 370,918

See Accompanying Notes to Financial Statements.

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

	2013			2012
	Program	Management and general	Total	
Salaries	\$ 239,456	\$ 97,314	\$ 336,770	\$ 381,252
Payroll taxes	26,680	10,843	37,523	42,654
Employee benefits	18,028	7,327	25,355	29,320
Total salaries and related expenses	284,164	115,484	399,648	453,226
Professional fees	-	9,462	9,462	11,397
Contracted services	37,534	-	37,534	10,144
Occupancy	128,509	6,763	135,272	133,088
Insurance	17,844	940	18,784	17,192
Youth program	7,202	-	7,202	-
Consulting and legal	-	141	141	26,876
Maintenance	1,204	63	1,267	2,740
Meetings, subscriptions and memberships	3,723	419	4,142	9,209
Production and office supplies	8,258	1,822	10,080	7,554
Travel and transportation	248	28	276	419
Depreciation	7,682	1,567	9,249	22,857
Cost of sales and services	2,079	-	2,079	596
Internet	2,498	1,016	3,514	1,824
Postage	-	432	432	1,212
Telephone	153	2,913	3,066	4,102
Staff and board development	3,988	1,620	5,608	1,900
Advertising	-	3,543	3,543	3,654
Miscellaneous expenses	-	3,938	3,938	3,894
Total expenses	<u>\$ 505,086</u>	<u>\$ 150,151</u>	<u>\$ 655,237</u>	<u>\$ 711,884</u>

See Accompanying Notes to Financial Statements.

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

Increase (Decrease) in Cash and Cash Equivalents

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ (31,260)	\$ 24,585
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation	9,249	22,856
Loss on investments, net	1	1,309
Loss on disposal	728	-
Donated equipment	-	(2,400)
Changes in operating assets and liabilities:		
Receivables	4,188	(1,151)
Prepaid expenses	10,860	14,964
Accounts payable	4,631	(1,743)
Accrued payroll and related	<u>(1,319)</u>	<u>7,081</u>
Net cash from operating activities	<u>(2,922)</u>	<u>65,501</u>
Cash flows from investing activities:		
Purchase of equipment	(2,141)	(2,248)
Sale of investments	44,000	69,000
Purchase of investments	<u>-</u>	<u>(24,236)</u>
Net cash from investing activities	<u>41,859</u>	<u>42,516</u>
Net increase in cash and equivalents	38,937	108,017
Cash and equivalents, beginning of year	<u>249,015</u>	<u>140,998</u>
Cash and equivalents, end of year	<u><u>\$ 287,952</u></u>	<u><u>\$ 249,015</u></u>

See Accompanying Notes to Financial Statements.

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

1. **ORGANIZATION**

The Minneapolis Telecommunications Network, Inc. (MTN) is a nonprofit corporation founded on December 13, 1983. MTN's mission centers on empowering communities within the City of Minneapolis to bring their own unique voices to cable television. MTN supports public access to media in three ways:

- Provides training in the use of video, television and internet technologies
- Provide direct community access to cable television channels
- Provides unique education and mentoring programs for young people in grades six through twelve

The board of MTN is appointed by the City of Minneapolis. In accordance with the agreement with the City of Minneapolis, MTN receives its primary operating funds directly from the City. These funds have been made available to the City through the city's cable franchise ordinance with the local cable provider. MTN also receives support from contributions, memberships, training, and production fees.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 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.

Financial Statement Presentation - MTN is required to report information regarding its financial position and activities in the following net asset categories:

- Unrestricted net assets represent the portion of net assets that are not subject to donor restrictions.
- Temporarily restricted net assets arise from contributions that are restricted by donors for specific purposes or time periods.
- Permanently restricted net assets arise from contributions with restrictions from donors that do not expire and that allow, in certain cases, only the income earned thereon to be expended. At this time, MTN has no permanently restricted net assets.

Cash and Cash Equivalents - MTN considers cash and all highly liquid investments purchased with original maturities of three months or less to be cash and cash equivalents.

(Continued)

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investments - Investments consist of negotiable certificates of deposit. Investments are reported at fair value. Investment income is recorded net of changes in fair value. Realized and unrealized gains and losses on investments are reported as changes in unrestricted net assets.

Fair Value Measurements - The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that MTN has the ability to access.
- Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; and inputs other than quoted prices that are observable for the asset.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair value measurements are used for investments.

Receivables - Receivables are stated at the amount management expects to collect. Management reviews receivable balances at year end and establishes an allowance based on expected collections. Receivables are written off as a charge to the allowance when, in management's estimation, it is probable that the receivable is worthless. Management has evaluated the receivables at December 31, 2013, and believes that no allowance is necessary.

Property and Equipment - MTN follows the practice of capitalizing all expenditures over \$500 for property and equipment. The current fair value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Routine repairs and maintenance are expensed as incurred. Absent explicit donor restrictions regarding how donated assets must be used, MTN reports expiration of donor restrictions when the donated or acquired assets are placed in service.

Fiscal Agency - MTN acts as an agent for donors and grantors. It accepts assets from donors and agrees to use those amounts to benefit a specified beneficiary. These transactions are not included in the statement of activities since MTN has no discretion in determining how the funds are used. Such agency amounts collected are recorded as liabilities until released to the beneficiary.

Program Revenues - Revenue from production, training and other earned revenue sources is recognized when billed, which approximates when services are provided. Amounts collected in advance of performing the services are recorded as deferred revenue.

(Continued)

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Contributions - Contributions are recognized when the donor makes an unconditional commitment to give to MTN. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Conditional contributions are recognized when the conditions on which they depend are substantially met. Contributions received with restrictions that are met in the same fiscal year they are received are included in unrestricted revenues.

Contributed Materials - Contributed materials are recorded at fair value.

Contributed Services - Donated services are recorded as contributions if the service creates or enhances a nonfinancial asset or if the service requires specialized skills, is provided by an individual possessing those skills, and would typically need to be purchased.

Memberships - Membership fees are recorded in the year received, since members receive no significant benefits.

Functional Expenses - Expenses have been presented on a functional basis. Salaries and related expenses are allocated to program and supporting services based on actual time spent on each functional activity. The remaining expenses are specifically allocated or are allocated based on the square footage used for each function.

Fundraising Expenses - The primary fundraising expenses are not considered significant to the financial statements and are included in management and general expenses.

Income Taxes - MTN is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to the extent it has taxable income that is not related to its tax exempt purpose. Minneapolis Telecommunications Network, Inc. did not have any unrelated business income in 2013 or 2012.

Federal and state tax authorities generally have the right to examine the current and three previous years' returns. MTN is not currently under examination by any taxing jurisdiction.

Reclassifications - Reclassifications were made to the 2012 financial statements to be consistent with the current year financial statements. These reclassifications did not affect net assets or the change in net assets.

(Continued)

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Comparative Total Column - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Minneapolis Telecommunications Network, Inc.'s financial statements for the year ended December 31, 2012, from which the summarized information was derived.

3. **FAIR VALUE MEASUREMENTS - INVESTMENTS**

The following is a description of the valuation methodology used for investments measured at fair value.

Certificates of deposit (Level 2)

Certificates of deposit are priced using a market value pricing model which is primarily based on current interest rates, the terms of the certificates of deposit, and other special features. The pricing is determined by the investment broker that holds the certificates on behalf of MTN.

Two certificates of deposit are held at December 31, 2013, having a face value of \$44,265; maturing July 2014 and May 2016; and have interest rates ranging from 0% to 1.15%. The return for one \$20,000 certificate is linked to foreign currencies and there is no assurance of any return.

The level of input used to measure fair value does not reflect market risk. There have been no changes in valuation techniques and related inputs.

4. **UNEMPLOYMENT FUND DEPOSIT**

Minneapolis Telecommunications Network, Inc. has elected to opt out of participation in the Minnesota Unemployment Insurance Program. MTN is self-insured for unemployment claims through Unemployment Services Trust (UST). Contributions to UST are accumulated and used to pay future claims. MTN could be required to make additional payments if claims exceeded the accumulated contributions. During 2012, MTN received a refund from its reserve of \$12,622. The unemployment fund deposit at December 31, 2013 and 2012, was \$7,127 and \$14,444, respectively, and is included in prepaid expenses.

(Continued)

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

5. **PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31:

	<u>2013</u>	<u>2012</u>	<u>Estimated useful life - years</u>
Equipment and vehicles	\$ 1,176,496	\$ 1,514,046	3 - 5
Leasehold improvements	-	1,820	5
Website	-	4,754	3
Total property and equipment	<u>1,176,496</u>	<u>1,520,620</u>	
Accumulated depreciation	<u>(1,168,272)</u>	<u>(1,504,560)</u>	
Net property and equipment	<u>\$ 8,224</u>	<u>\$ 16,060</u>	

6. **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are for the following purposes:

	<u>2013</u>	<u>2012</u>
MN Teen Council	\$ -	\$ 5,000
MTN for V.O.I.C.E.S. Multiplied	10,000	-
Metropolitan Regional Arts Council	<u>5,000</u>	<u>-</u>
	<u>\$ 15,000</u>	<u>\$ 5,000</u>

7. **IN-KIND CONTRIBUTIONS**

In-kind contributions consist of the following for the year ended December 31:

	<u>2013</u>	<u>2012</u>
Professional legal services	\$ -	\$ 11,000
Equipment	-	2,400
Miscellaneous	<u>-</u>	<u>730</u>
Total in-kind contributions	<u>\$ -</u>	<u>\$ 14,130</u>

(Continued)

MINNEAPOLIS TELECOMMUNICATIONS NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013
(With Comparative Totals for 2012)

8. **RETIREMENT PLAN**

MTN maintains a qualified defined contribution pension plan covering substantially all employees after attainment of specified periods of service and minimum age requirements. Employees are permitted to make contributions to the plan. MTN contributes a match of up to 3% of gross wages for all employees who work at least half-time and have been employed by MTN for at least one year. Total employer matching contributions were \$8,518 and \$6,161 for 2013 and 2012, respectively.

9. **OPERATING LEASE**

MTN leases office and studio space under an operating lease that expires April 30, 2015. The lease requires monthly payments of \$8,200, increasing 3% each year. MTN also pays an additional amount for a percentage of property taxes and electricity as part of this agreement. Rent expense for 2013 and 2012 was \$98,400 and \$98,400, respectively.

The future minimum rental commitment is as follows:

2014	\$ 103,379
2015	<u>34,798</u>
Total	<u>\$ 138,177</u>

10. **CONCENTRATIONS**

MTN places its temporary cash investments with one financial institution. At times such investments may be in excess of FDIC insurance limits. Management believes MTN is not exposed to any significant credit risk related to cash. At December 31, 2013, the balances exceeded the insured limits by \$47,663.

MTN received approximately 84% and 85% of its 2013 and 2012 revenue and support from the City of Minneapolis.

11. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 5, 2014, the date on which the financial statements were available for issue, and identified no significant events or transactions to disclose.