

**STATE OF NEBRASKA
ATTESTATION REVIEW
OF THE
NEBRASKA EDUCATIONAL
TELECOMMUNICATIONS COMMISSION**

JULY 1, 2007 THROUGH JUNE 30, 2008

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Issued on April 7, 2009

NEBRASKA EDUCATIONAL TELECOMMUNICATIONS COMMISSION
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NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Independent Accountant's Report

Citizens of the State of Nebraska:

We have reviewed the Expenditures, Fixed Assets, Payroll, and Revenue of the Nebraska Educational Telecommunications Commission (Commission) for the period July 1, 2007, through June 30, 2008. The Commission's management is responsible for the Expenditures, Fixed Assets, Payroll, and Revenues. Management did not provide us a written assertion regarding such matters.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Commission's Expenditures, Fixed Assets, Payroll, and Revenues. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the Commission's Expenditures, Payroll, and Revenues are not presented, in all material respects, in conformity with the criteria set forth in the Criteria section. However, based on our review, an item noted in the Summary of Results section of the report came to our attention that caused us to believe that the Commission's Fixed Assets are not presented, in all material respects, in conformity with the criteria set forth in the Criteria section.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Commission's Expenditures, Fixed Assets, Payroll, and Revenues and any fraud and illegal acts that are more than inconsequential that come to our attention during our review. We are also required to obtain the views of management on those matters. We did not perform our review for the purpose of expressing an opinion on the internal control over the Commission's Expenditures, Fixed Assets, Payroll, and Revenues or on compliance and other matters; accordingly, we express no such opinions.

Our review disclosed a certain finding that is required to be reported under *Government Auditing Standards* and certain other matters. Those findings, along with the views of management and the identification of significant deficiencies and material weaknesses, are described below in the Summary of Results. A significant deficiency is a deficiency in internal control, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria or framework such that there is more than a remote likelihood that a misstatement of the subject matter that is more than inconsequential will not be prevented or detected.

This report is intended solely for the information and use of the Citizens of the State of Nebraska, management of the Commission, others within the Commission, and the appropriate Federal and regulatory agencies; however, this report is a matter of public record, and its distribution is not limited.

Signed Original on File

Mike Foley
Auditor of Public Accounts

Don Dunlap, CPA
Assistant Deputy Auditor

March 24, 2009

NEBRASKA EDUCATIONAL TELECOMMUNICATIONS COMMISSION
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Background

The Nebraska Educational Telecommunication Commission (Commission) is an instrumentality operating under the jurisdiction of the State of Nebraska. The Commission was created in 1963. The Commission's primary functions are to promote and establish non-commercial educational telecommunications facilities within the State and to provide transmission facilities for non-commercial educational telecommunications programs throughout the State.

The functions of the Commission are operated under an umbrella organization, Nebraska Educational Telecommunications (NET) that includes the University of Nebraska – Lincoln Department of Television. In providing the public television service, the Commission operates an interconnected network of 8 transmitter stations and 14 translators in cooperation with the Board of Regents of the University of Nebraska, which is the licensee of Channel 12, the ninth station in the network. Channel 12 serves as the primary programming station of the network. By written agreement, the Commission reimburses the University for its Channel 12 transmission costs and the University makes Channel 12 programming available at no charge to the Commission for transmission to the other stations in the network.

The Nebraska Educational Telecommunications Commission has 11 members. Nine are appointed by the Governor and are subject to legislative approval. The Nebraska Commissioner of Education, or his or her designee, and the president of the University of Nebraska, or his or her designee, are standing commission positions. Appointed members include: a) a Nebraska state college representative; b) a Nebraska community college representative; c) a Nebraska private educational institution representative; and d) six members of the public, two from each congressional district in Nebraska, none of whom are associated with any of the institutions listed above. No more than four may be actively engaged in the teaching profession or administration of an educational institution. Commissioners are appointed to four-year terms on a staggered basis. The Commission meets monthly, when necessary, with most meetings held at the Educational Telecommunications Center. Members are not paid, but are reimbursed for expenses.

The Commission along with the following organizations provide public broadcasting to the citizens of the State of Nebraska:

- NETC Facilities Corporation - The NETC Facilities Corporation is a nonprofit corporation formed by the Commission in 1999 to acquire property to be leased to and purchased by the Commission. The Governor appoints the members of the Commission and they in turn appoint and elect the five members of the Board of Directors of the NETC Facilities Corporation. Even though it is legally separate, the NETC Facilities Corporation is reported as if it were part of the Commission because it provides services entirely to the Commission.
- NET Foundation for Radio (Radio Foundation) - Radio Foundation is a not-for-profit organization whose mission and principal activities are to encourage the activation, development, and growth of education and public radio in Nebraska. The Radio Foundation's revenues and other support are derived principally from membership

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contributions and community service grants. The management of the Radio Foundation also manages the Commission, the University of Nebraska Television Department (UNTV), and NET Foundation (Television Foundation). The Radio Foundation routinely has transactions with these entities consisting of the purchase of supplies, printing services, and certain other support services. In addition, the Radio Foundation reimburses UNTV for administrative and certain accounting services. The Radio Foundation paid the Commission \$470,650 during the fiscal year ended June 30, 2008, for State employee costs related to the Radio Foundation.

- NET Foundation for Television (Television Foundation) is also a not-for-profit organization whose mission and principal activities are to encourage the development and growth of educational and public broadcasting in Nebraska. Like that of the Radio Foundation, the Television Foundation's revenues and other support are derived principally from membership contributions and program production grants. Through various promotional efforts, the Television Foundation provides funds to enhance educational and public television programming and makes the citizens of Nebraska more aware of the benefits to be derived from such broadcasting. These funds are provided to the Nebraska Educational Telecommunications Network (Network), which consists of the University of Nebraska Telecommunications Department (Department) and the Commission. Each year the Television Foundation allocates a specified amount of money to the Network. This money is to be used to pay for costs incurred by the Department for program production and certain other services. The Television Foundation is a component unit of the University of Nebraska Telecommunications Department.
- Native American Public Telecommunications, Inc. (NAPT) is an organization which provides authentic Native American Programming to PBS and National Public Radio (NPR) stations as well as coordinating grant-funded productions by and about Native Americans. It is one of five national minority consortia authorized by the Corporation for Public Broadcasting for further minority content on the public airways. NAPT is primarily supported by grants from the Organization for Public Broadcasting, which is a national organization.

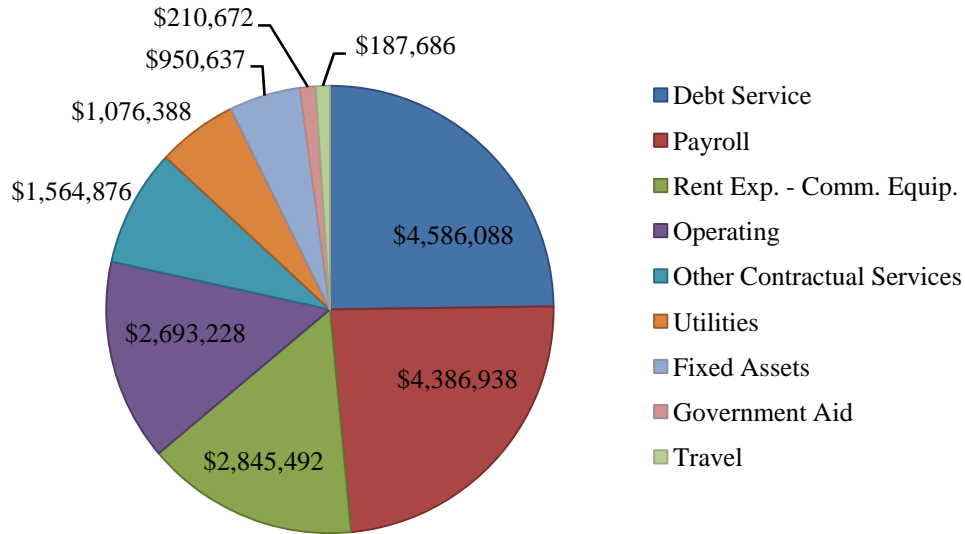
The Radio Foundation and the Television Foundation Boards voted in June 2007 to merge the two boards into one board although they will remain as two separate entities.

The Commission is located in the Terry Carpenter Building which is located on the East Campus of the University of Nebraska. Office space in this building is also shared with the Radio Foundation, Television Foundation, University of Nebraska Television Department, and NAPT. The Commission provides this office space free of charge.

We reviewed the expenditures of the Commission for the fiscal year ended June 30, 2008. The areas reviewed consisted of debt service, payroll, rent expense-communication equipment, operating expense, and other contractual services. The total amounts for the fiscal year for these areas are noted in the chart below. The Commission's total expenditures for the fiscal year were \$18,502,005.

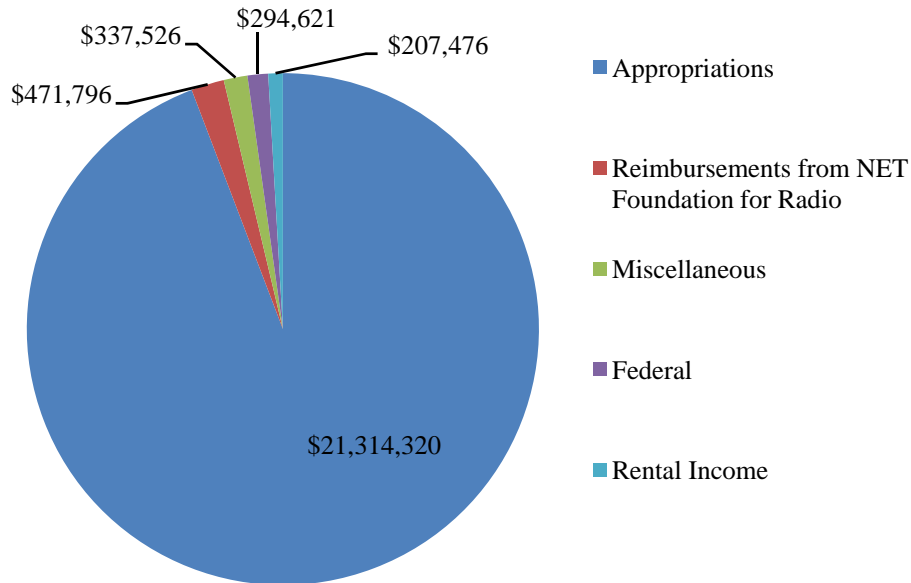
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Expenditures for FY2008



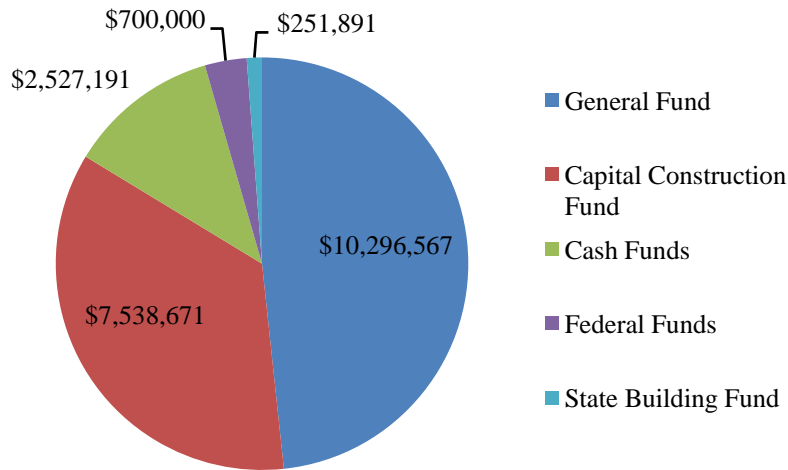
We also reviewed the revenues of the Commission for the fiscal year ended June 30, 2008. The areas reviewed consisted of appropriations, reimbursements the Commission received from the NET Foundation for Radio, and rental income received from space rented on towers. The total amounts for the fiscal year for these areas are noted in the chart below. The Commission's total revenues for the fiscal year were \$22,625,739, with appropriations accounting for \$21,314,320.

Revenues for FY2008



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Appropriations for FY 2008



Criteria

The criteria used in this attestation review were the Department of Administrative Services State Accounting Manual, Commission Administrative Regulations, State Statutes, and Contracts.

Summary of Procedures

Pursuant to Neb. Rev. Stat. § 84-304 (Reissue 2008), the Auditor of Public Accounts (APA) conducted an attestation review of the Commission's Expenditures, Fixed Assets, Payroll, and Revenues for the fiscal year ended June 30, 2008, in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The APA's attestation review consisted of the following procedures:

Expenditures:

1. Gain an understanding of the procedures related to the processing of expenditures.
2. Review changes in expenditures from the fiscal year ended June 30, 2007, to the fiscal year ended June 30, 2008.
3. Follow up and assess status of prior year attestation examination findings.
4. Review and test reconciliation between NIS and Deltek Cost Point.
5. Review and test travel related expenses.
6. Review and test vehicles that were permanently assigned to the Commission by Administrative Services – Transportation Services Bureau.
7. Review and test various expenditure transactions.

Fixed Assets:

1. Gain an understanding of the procedures related to the processing of fixed assets.
2. Review and test fixed assets transactions.
3. Follow up and assess status of prior year attestation examination findings.

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Payroll:

1. Gain an understanding of the procedures related to the processing of payroll.
2. Review and test employees to determine supporting documentation was on file and agreed to NIS.
3. Follow up and assess status of prior year attestation examination findings.

Revenues:

1. Gain an understanding of the procedures related to the processing of revenues.
2. Review changes in revenues from the fiscal year ended June 30, 2007, to the fiscal year ended June 30, 2008.
3. Follow up and assess status of prior year attestation examination findings.
4. Review appropriations and trace to legislative bills. Verify restrictions or specific purposes were adhered to.
5. Review and test reimbursements NETC received from the NET Foundation for Radio.
6. Review and test rental income.

Summary of Results

The summary of our attestation review noted the following findings and recommendations:

1. Fixed Assets

As of June 30, 2008, the Nebraska Educational Telecommunications Commission (Commission) reported fixed assets in the Nebraska Information System (NIS) with a total original cost of \$38,444,689. These fixed assets are located in the Commission's main office building in Lincoln and at various sites around the State. We performed various tests to determine if the Commission's fixed assets existed and were properly recorded in NIS. We noted the following regarding the fixed asset records maintained by the Commission:

- The Commission did not have a formal process in place to ensure management reviewed the results of the annual fixed asset inventory process including the reviewing of the Unable to Locate Status Report.
- The Commission ran an Unable to Locate Status Report in August 2005 which showed all items not located. The list was generated from their internal fixed assets database and consisted of 480 items with a total original cost of \$4,469,577. During our fiscal year ended June 30, 2008, attestation review, we noted \$2,490,888 of the aforementioned assets were presented at a September 6, 2006, Commission meeting where it was moved to have the list of assets sent to the Department of Administrative Services Surplus Property for write off. We obtained the Commission's Unable to Locate Status Report as of June 30, 2008. The report consisted of 115 items with a total original cost of \$2,477,620. **See Exhibit on pages 13 and 14.** This report consisted of two asset categories entitled, Items or Portions of Items That Are Here and Items Not Located in Last 4 years. There were 24 items listed under the category, Items or Portions of Items That Are Here with a total original cost of \$1,877,646 and had dates acquired ranging from April 2006 through April 2008. We questioned the Commission as to why these items were listed on this report, since they've identified them, as having them or portions

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of them. The Commission's response was that some of these items are actually part of other assets or pieces of other assets; however, they have not followed up on these items to change their status; therefore, they remain on the Unable to Locate Status Report. The items listed under the category, Items Not Located in Last 4 years consisted of 91 items with a total original cost of \$599,974 and had dates acquired ranging from June 1972 through May 2008. Some of the items listed under the category, Items or Portions of Items That Are Here included: a KLNE Tower acquired June 2007 with an original cost of \$1,241,175; a Temporary Analog Antenna acquired April 2006 with an original cost of \$71,434; a 2 GHz Transmitter acquired February 2007 with an original cost of \$36,020; and a Chain Link Fence & Gate acquired April 2008 with an original cost of \$4,445. The 91 items totaled \$599,974 and had dates acquired ranging from June 1972 through May 2008. Some of the items listed under the category, Items Not Located in Last 4 years included: a Beta Cam Tape Machine acquired August 1991 with an original cost of \$28,835; a Chassis acquired in June 1999 with an original cost of \$19,582; a computer acquired May 1996 with an original cost of \$3,694; and a John Deere Riding Lawn Mower acquired August 2007 with an original cost of \$1,849. We selected 20 items from this list and traced them to the assets. The items selected had a date acquired dating as far back as December 1997 up through May 2008. The Commission could not locate one of the 20 items selected for testing. This item was listed as a camera, acquired March 1999 with an original cost of \$6,100. Currently, the Commission does not have procedures to follow up on assets that are not located during their physical inventory. This was a prior finding in our fiscal year ended June 30, 2005, attestation examination of the Commission.

Good internal control requires the Commission have procedures in place to ensure all fixed asset records are maintained accurately and up-to-date at all times and are being reviewed by management. Management review of these procedures and the Unable to Locate Status Report would make them aware of the magnitude of fixed assets that could not be found, ensuring fixed assets had not been stolen or misused. Without a follow-up on assets that are unable to be located and proper internal controls to ensure fixed asset records are correct, there is a greater risk that fixed assets will be misplaced, stolen, or misused.

- The Commission has a capitalization policy for improvements to buildings established at \$1,500.

Nebraska State Accounting Manual, AM-005, General Policies, Section 28, states "... Building additions are capitalized when the project adds square footage to an existing building and the accumulated costs are \$100,000 or greater ... For building additions and building improvements under \$100,000, costs should generally be expensed to the appropriate expense object code."

When a reasonable capitalization policy for improvements to buildings is not established, the expenditures in accordance with Generally Accepted Accounting Principles (GAAP) may not be properly reflected in the Commission's separately issued financial statements and the State of Nebraska's Comprehensive Annual Financial Report (CAFR).

- The Commission does not mark fixed assets maintained below the \$1,500 threshold as "Property of the State of Nebraska."

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Neb. Rev. Stat. § 81-1118.02(3) (Reissue 1999) states, “Each such executive, department, commission, or other state agency shall indelibly tag, mark, or stamp all such property belonging to the State of Nebraska, with the following: “Property of the State of Nebraska.” When fixed assets of the Commission are not marked as Property of the State of Nebraska there is a greater risk those assets will be misplaced, stolen, or misused and the Commission is not in compliance with State Statute.

- The Commission maintains and relies on an internal fixed asset database separate from NIS, which is a duplication of the state accounting system.

Good internal control requires NIS be utilized and relied upon by the Commission to maintain their fixed asset records. When duplicate fixed asset records are maintained outside the State Accounting System, there is a greater risk of errors, omissions, and the need for additional resources to maintain them.

We consider this finding to be a significant deficiency.

We recommend the following:

- The Commission take immediate steps to implement procedures to ensure all fixed asset records are maintained accurately and up-to-date at all times. These procedures should include appropriate management level review of the annual physical inventory;
- The Commission develop written procedures to follow when fixed assets cannot be located. These procedures should include steps to ensure all reasonable efforts have been made to locate the asset and that appropriate management level approval is given prior to the removal of an asset from the fixed asset records;
- The Commission establish, with the advice of the Department of Administrative Services - State Accounting Division, a capitalization policy for improvements to buildings that would be more consistent with GAAP;
- The Commission implement procedures to ensure all assets maintained by the Commission below the \$1,500 threshold are marked, within reason, as “Property of the State of Nebraska” in accordance with State Statute; and
- The Commission discontinue use of their internal fixed asset database and rely completely on NIS to maintain their fixed asset records.

Commission’s Response: We believe our fixed asset records are maintained accurately, our current policies and procedures are sufficient to ensure fixed assets are not misplaced, stolen or lost and we maintain a good internal control environment for fixed assets. We will implement a more formal process of reviewing and updating the “Unable to Locate Status Report” on an ongoing, periodic basis, along with marking all fixed assets below our capitalization amount with a tag or stamp denoting “Property of the State of Nebraska”. We will continue to use our

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internal fixed asset database system as relying exclusively on the State's NIS system would not be prudent. Our current system, including the related controls and reconciliation process, remain the most reliable, accurate, timely and efficient method for handling our fixed assets.

2. Agreement Between the Commission and the NET Foundation for Radio

Good business practice requires contracts and agreements between the Commission and other entities document the specific responsibilities of each organization. The Commission receives monies from the Radio Foundation for reimbursement of salaries and travel expenses. The amount received by the Commission for this purpose was \$470,650 for the fiscal year ended June 30, 2008. All Specialized Office Services (SOS) temporary, contracted, and Foundation employees were paid by the Commission and then reimbursed by the Radio Foundation. There is no written agreement between the Commission and the Radio Foundation documenting how the reimbursement process works. This was a prior year finding in our fiscal years ended June 30, 2002, audit and the June 30, 2005, attestation examination of the Commission. We understand this relationship has been in effect for many years; however, we believe the Commission is putting themselves at additional risk by not having a written agreement with the Radio Foundation. The Commission could possibly not be reimbursed and have no legal recourse to recoup the costs of paying for the Foundation employees.

We recommend a written agreement be prepared and signed between the Commission and the Radio Foundation documenting the reimbursement process and the responsibilities of each organization.

Commission's Response: The relationship between the Commission and the NET Foundation for Radio is well defined and has been functioning very effectively since its inception in 1991. These entities are both integral parts of our entire Network, not isolated or competing entities. Although we believe current procedures and the annual, documented budget approval actions by the Foundation and the Commission adequately addresses this issue, the Commission will again reconsider this recommendation.

3. Vendor Selection

The State of Nebraska Purchasing Bureau Agency Procurement Manual for Services states "fairness and impartiality in all phases of the process is an essential factor in public purchasing. Dealings with vendors and peers must be open, honest, and objective. The process cannot be both effective and self-serving; the two are incompatible. In the case of public purchasing, utmost fairness is required in expending public funds. The result of favoritism extended to either a user or seller is the same. The practice is not permissible. No matter how strongly a user may prefer a particular vendor over others, all vendors must be given every reasonable consideration. The State must commit and adhere to fair and open competition. Integrity is manifested by fairness, openness, and impartiality and can be tarnished by even the slightest appearance of impropriety."

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The Training Manual for NIS, the State of Nebraska's accounting system, provides a quick reference for procurement rules by dollar amount. It classifies services procured for less than \$50,000 as agency level decisions with three documented bids highly recommended.

Good business practice requires documentation of the basis used for selection of vendors to ensure the best price is obtained.

It was noted during our testing of expenditures, the Commission does not require a minimum of three bids be obtained for services purchased or for documenting the basis used for the selection of vendors. The Commission did indicate they may obtain bids on occasion; however, they were unable to provide documentation to support this. A total of \$428,385 was expended for services related to communication equipment repairs and maintenance and \$97,728 was expended for services related to real property repairs and maintenance. Specific service expenditure documents were selected for detail testing and information supporting the basis for the vendor selection process was not documented. A new septic tank costing \$3,250, caulking of windows costing \$4,560, electrical work costing \$8,495, and tower repair costing \$34,563 are examples of expenditures lacking documentation of a bid process, to ensure the best price possible. A total of \$8,199 paid to a plumbing company, \$12,990 paid to an electrical repair company, \$20,106 paid to a heating and air company, were all vendors used multiple times during fiscal year 2008. This fact lends to an appearance of preferring particular vendors. There were multiple payments made in excess of \$25,000 to individual vendors for repairs and maintenance of communication equipment with no written documentation of the basis for vendor selection.

When there is no policy recommending a minimum of three bids be solicited for service expenditures or a policy requiring documentation of the basis used for the selection of a particular vendor, there is an increased risk of possible misuse or loss of State funds.

We recommend the Commission implement procedures to ensure that a minimum of three bids be solicited for service expenditures and the basis used for selection of a particular vendor is documented in order to ensure the best price possible is obtained.

Commission's Response: The Commission is in complete compliance with State of Nebraska procurement and purchasing policies and good business practices. In most cases we do require and solicit 3 documented, competitive bids but as with all business entities, including other State Agencies, there are certain situations in which we believe it is not necessary, practical or possible to get 3 competitive bids. We will continue to require 3 competitive bids on most purchases and implement additional procedures to ensure the exceptions to this practice are minimized plus we will improve the documentation when vendors are selected without 3 competitive bids.

Overall Conclusion

The fixed asset finding is considered to be a significant deficiency in internal control. We noted several areas where we believe the Commission could improve controls and procedures over the accountability of their fixed assets. Most significantly we noted the Commission did not have a

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formal process in place to ensure management reviews the results of the annual fixed asset inventory process including the reviewing of the Unable to Locate Status Report. Upon obtaining a list of assets from the Commission's internal database, as of the end of fiscal year 2008, we noted the list contained 115 assets with a total original cost of \$2,477,620 that the Commission could not locate.

A written agreement between the Commission and the Radio Foundation outlining the reimbursement process and the responsibilities of each organization would better ensure both parties have an accurate understanding of their relationship.

The Commission could better ensure the State is adhering to fair and open competition by obtaining a minimum of three bids for significant services purchased and for documenting the basis used for the selection of vendors.

The APA staff members involved in this attestation review were:

Don Dunlap, CPA, Assistant Deputy Auditor

Pam Peters, Auditor-In-Charge

Crystal Goldsmith, Auditor II

Tim Weller, Auditor

If you have any questions regarding the above information, please contact our office.

NEBRASKA EDUCATIONAL TELECOMMUNICATIONS COMMISSION
UNABLE TO LOCATE STATUS REPORT
AS OF JUNE 30, 2008

EXHIBIT

Tag No	Purchase Date	Purchase Cost	Description
Items or Portions of Items That Are Here:			
19229	06-30-2006	\$ 7,080.00	Translator
29221	06-15-2007	303,881.25	KLNE Tower-2nd payment
29221	06-15-2007	253,005.00	KLNE Tower Payment
19264	04-01-2006	42,500.00	Temporary Analog Antenna
29221	06-15-2007	546,986.25	KLNE Tower Payment
892893	03-31-2007	138,893.44	Antenna
892893	06-11-2007	4,349.87	KLNE Antenna Parts
892893	05-11-2007	2,586.00	KLNE Antenna Parts
892893	05-07-2007	1,806.80	KLNE Antenna Parts
36104	01-09-2007	7,119.00	RX Antenna
29221	06-15-2007	121,552.50	KLNE Tower-Initial Downpayment
29254	02-27-2007	36,020.00	2 GHz Transmitter
29261	02-27-2007	36,020.00	TXU 2 GHz Transmitter
19264	03-31-2007	28,934.11	Analog Line - OHM Flex Air Coaxial Cable
892893	03-31-2007	60,489.07	DTV OHM Rigid Transmission Line
892893	06-20-2007	6,500.00	KLNE Antenna Tune & System Sweep
893002	04-04-2008	4,445.00	Chainlink Fence & Gate
892906	07-31-2007	54,425.00	SOLID STATE UHF TRANSLATOR - FALLS CITY
892947	10-12-2007	24,425.00	UHF Translator
892956	10-26-2007	21,425.00	UHF Translator
892916	03-31-2007	39,377.44	KLNE OHM Rigid Transmission Line for FM Antenna
3247	06-30-2007	62,681.41	UPGRADE FM35T TRANSMITTER TO FXi25T
892916	03-31-2007	57,394.00	KLNE RADIO FM ANTENNA
29221	06-15-2007	15,750.00	KLNE Tower Payment
		<u>\$ 1,877,646.14</u>	

Items Not Located in Last 4 years:

99276	06-15-1972	\$ 2,249.00	REEL-REEL AUDIO TAPE RECORDER
99848	01-15-1985	7,233.00	BETACAM PLAYER
99881	03-15-1985	2,205.00	13IN HIGH RES MONITOR
99883	03-15-1985	2,205.00	13IN HIGH RES MONITOR
99876	03-15-1985	22,970.00	BETA RECORDER/PLAYER
99887	06-15-1985	2,253.00	13IN MONITOR
98039	06-15-1987	22,791.00	STUDIO PLAYER/RECORDER
9239	08-15-1987	2,733.00	13IN COLOR MONITOR
89041	11-15-1988	11,220.00	BETACAM FIELD REC/PLAYBACK
89083	12-15-1988	13,465.45	COLOR CAMERA
89084	12-15-1988	13,465.45	COLOR CAMERA
89085	12-15-1988	13,465.45	COLOR CAMERA
89302	10-15-1989	9,060.00	EFP BETACAM RECORDER
89351	03-30-1990	11,409.00	BETACOM RECORD/PLAYBACK
89492	12-31-1990	4,816.79	20 INCH NTSC/RGB MONITOR
3251	06-30-1991	1,550.00	COLOR MONITOR W/RACK MOUNT
89382	08-31-1991	28,835.00	BETACAM TAPE MACHINE
89685	06-30-1992	1,778.00	ULTRA PATCH
89870	09-30-1993	12,000.00	BETACAM RECORDER
891129	01-29-1996	4,095.00	DIGICART
891123	05-21-1996	3,694.00	COMPUTER
891199	08-05-1996	14,589.75	VIDEOCASSETTE RECORDER
891202	08-28-1996	1,900.00	PORTABEL LCD
891249	02-05-1997	1,505.00	WAVEFORM MONITOR
891279	02-10-1997	3,203.50	MINI DISC MACHINE
891217	02-10-1997	2,254.30	MINI DISC MACHINE
891223	02-10-1997	3,203.50	MINI DISC MACHINE
891222	02-10-1997	2,254.30	MINI DISC MACHINE
891225	02-10-1997	3,203.50	MINI DISC MACHINE
891219	02-10-1997	2,254.30	MINI DISC MACHINE
891562	08-08-1997	2,344.00	MULTI LOGO GENERATOR
891563	08-08-1997	2,344.00	MULTI LOGO GENERATOR
891579	12-30-1997	16,298.00	DIGITAL TAPE RECORDER

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AS OF JUNE 30, 2008

EXHIBIT

Tag No	Purchase Date	Purchase Cost	Description
Items Not Located in Last 4 years: (Concluded)			
891357	01-02-1998	4,995.00	PROJECTOR
891595	02-24-1998	4,503.00	WAVEFORM MONITOR
891594	02-24-1998	4,503.00	WAVEFORM MONITOR
891393	05-29-1998	1,503.00	REMOTE CONTROL UNIT
891389	05-29-1998	15,300.75	CAMERA
891402	06-09-1998	1,880.00	COMPUTER W/MONITOR
891428	08-10-1998	4,872.28	SIDEWIDER AIT INT
891399	08-14-1998	5,322.00	TEST SIGNAL GENERATOR
891466	03-09-1999	6,100.00	CAMERA
891547	05-26-1999	3,434.12	DIGITAL AUDIO ROUTER
891482	05-26-1999	2,696.38	SIGNAL GENERATOR COMPONENT
891483	05-26-1999	2,481.00	SERIAL DIGITAL CONVERTER
891525	06-28-1999	19,582.00	CHASSIS
891511	06-29-1999	3,195.00	CEILING / TABLE MICROPHONE
891757	07-22-1999	2,769.83	Minolta Film Scanner
891776	12-14-1999	1,779.00	Sony CCD Color camera/lens
891715	03-29-2000	6,301.00	Graduate composite CB/Switcher
891714	03-29-2000	7,841.00	Echolab Input Composite/Generator
891759	05-24-2000	2,198.00	Smartboard 72" w/stand
891705	08-15-2000	4,569.42	Spectrum Monitor
891950	06-15-2001	5,035.75	Digital Still Camera/battery/charger
892275	07-29-2002	2,244.00	HDTV Monitor
26243	04-26-2006	3,284.00	Floor crane
26246	05-24-2006	3,088.00	Laserjet Printer
19213	06-12-2006	1,750.54	Computer
19227	07-13-2006	2,873.02	Pump Cart
19238	07-26-2006	2,085.00	FM Modulation Monitor
790141	08-03-2006	8,118.00	KMNE Ice Shield
19265	09-06-2006	9,695.69	Microwave Receiver
19288	09-27-2006	3,900.00	Software
36098	10-25-2006	1,548.00	Radiation Monitor
29208	11-02-2006	1,750.00	Filter
29265	02-27-2007	18,321.00	RXU Receiver
26220	04-23-2007	690.00	Install Antenna
892860	05-14-2007	6,285.00	tank monitor
29253	05-16-2007	2,172.00	HDTV Optical Transmitter
892861	05-25-2007	5,469.00	tank monitor
892893	06-30-2007	6,477.78	KLNE Antenna Transmission Line parts
892898	06-30-2007	8,200.00	FM/HD RADIO MODULATION MONITOR
892894	06-30-2007	10,045.00	FM/HD AUDIO PROCESSOR
892910	06-30-2007	7,079.00	Idi-20 IMPORTER
892897	07-13-2007	14,356.00	VIDEO MINI 3CCD HD POV CAMERA SYSTEM
892923	08-09-2007	1,849.00	JOHN DEERE RIDING LAWN MOWER - LEXINGTON
892925	09-21-2007	2,223.50	HDTV Optical to Electrical Conv
892926	09-21-2007	2,223.50	HDTV Optical Transmitter
892952	10-08-2007	3,120.00	Metallic Time Domain Reflectometer
892900	11-08-2007	19,651.20	Handheld Microwave Spectrum Analyzer
892987	11-30-2007	26,370.00	HD Character Generator
893003	12-07-2007	1,699.83	Round Bale Feeders/Guy Wire Fencing
892968	12-07-2007	26,776.26	Waveform Monitor
892971	12-17-2007	3,556.88	LCD Monitor
892983	01-24-2008	5,585.00	Integrated Receiver Decoder (IRD)
892975	01-25-2008	5,596.91	Integrated Receiver Decoder (IRD)
892978	01-25-2008	5,596.91	Integrated Receiver Decoder (IRD)
893004	03-24-2008	1,835.00	Ethernet Switch
892995	04-23-2008	9,467.97	Audio Routing Switcher
3312	05-02-2008	5,282.26	Universal Digital Inserter
		\$ 599,974.07	
Grand Total		\$ 2,477,620.21	