



THEGEEKGROUP **2012 ANNUAL REPORT**

We build awesome. And we help provide access to science, technology, engineering and math so that individuals, institutions and organisations can also build awesome, better.

COMPANY STATEMENT

Through the power of people all over the world, we can build awesome.

WE live in a world where the average person is completely disconnected from the process of creating the things we consume every day. We take it for granted—food comes in cans, bags, plastic containers. Furniture comes flat-packaged and is expected to last one, maybe two moves if you're lucky. When we want something for our home, we simply go to the store and get the closest approximation to what we want. You must either settle for the lowest common denominator or spend a significant amount of money to get exactly what you want.

Everything around you has been made by somebody. Our purpose is to empower people with the ability to make things for themselves, to make things for other people as part of their business, or to simply have a better understanding of the process so that they may be a more effective consumer.

Once you have all of the tools and equipment at your fingertips to make anything you like, the world becomes a more exciting place. We've had members make everything from highly specialized bicycle parts, to a web application to control an entire house, to Tesla coils that play music while making lightning.

While we are a hyper-local organization, that works directly with individuals and small businesses in the Grand Rapids area to innovate, energize, streamline and ultimately create jobs, we do not limit our operations to people in Grand Rapids. We work extensively with our membership of over 16,000 people across the entire globe - only 48% of our membership is in North America.

Our membership comes from all walks

of life, all levels of experience and varied skill sets. We welcome innovation and exploration with a side of moxie. We do not hold bias among educational backgrounds, career paths, or experience levels. We work off of ability, which opens the door for production of a design rarely seen elsewhere.

Our membership participates in a myriad of ways that are absolutely essential to our local operations. Our remote geeks have done remarkable things from afar. With their help we have built BÖCSy, the Building Operations Control System, which inventively combines an extensive Smart Building systems with a robust business control architecture. They regularly engineer other internal and exploratory projects and help with fund-raising. We interact with them 24/7 via the Live Stream Broadcasting and a live chat system.

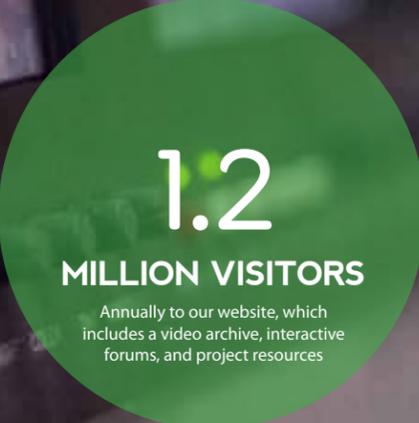
The theme throughout 2012 was learning how to work directly with our membership, no matter where they live. Our goal for 2013 is to continue that direct partnership and utilize it to expand our operations and open to the public.

Chief Executive Officer
Chris Boden

SHORT OVERVIEW

The Geek Group operates with the support, encouragement and participation of people from all over the world, bringing global participation to local projects. Thanks to the internet, engineering can be done from anywhere and collaboration can happen in real-time over every continent (and sometimes from locations in-between). We focus on immediate results, and an open-source foundation in engineering.

We thrive on sharing our ideas, immediate feedback, and direct participation with our global membership



ONE of the most fundamental principles of The Geek Group is that every person is able to make a meaningful contribution, no matter how big or small. We receive donations from persons all over the world, in whatever amount they wish and are able to give. This varies from thousands of dollars to less than five dollars at a time. This has become the heart of our microdonations program which was a driving force in 2012 and will continue to be the central focus of our community fundraising efforts.

This program has also had a dramatic impact on our project building. By working closely with an Amazon wishlist, which allows us to prioritize items as well as put focus on a large variety of projects. Members and supporters can then choose which specific projects to support by purchasing items directly for them, which also streamlines the process significantly and is more immediate and gratifying than sending in funds for a specific project. Items purchased this way vary from a couple of dollars each to large, several-hundred-dollar components.



Support received this year from individuals, forming the powerhouse core to The Geek Group and our operations



Support received this year from small businesses, working off of the same principle as our microdonations program



Support received this year from international supporters, thanks to the power of interactive participation online

FINANCIAL SUMMARY

We believe in financial transparency and empowering people to help how they choose. By working with direct donations, people can choose exactly how their money is spent - by buying the items directly for use in projects and the facility.

THE Internet has empowered us to operate a non-profit in a manner that is wholly modern and completely responsive to our membership, viewers and sponsors. We work directly with our supporters on our Amazon wishlist, projects parts lists, and facilities remodelling specs

By asking people for parts rather than sums of cash, the level of transparency involved has risen to a brand-new level. When somebody sends in a part, they know exactly where their

Our supporters love being directly involved in our operations, rather than wondering how their dollars helped.

money went. By working closely with the internet, everybody can see exactly how the parts were used, and how quickly we implemented it after receiving it.

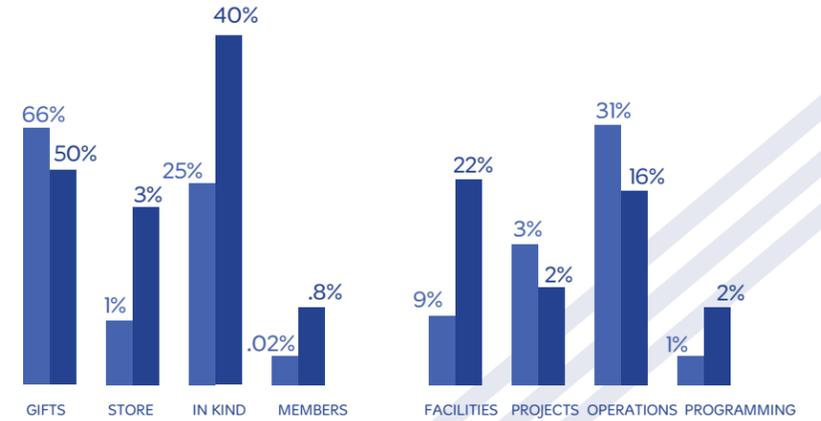
This method of fundraising means that our in-kind donation quantities are generally higher than average, but it also means our expenses on projects and facility upkeep is a lot lower. We love being able to work directly with our supporters, who are often able to source parts and materials significantly cheaper than we could on our own. This further drives down costs and allows us to do significantly more and to be more creative with what we do.

The Geek Group	2011	2012	2013	2014
Gifts in Kind	93,280	146,215	250,000	285,000
Individual & Business Support	241,631	180,751	220,000	350,000
Membership Dues	70	2,873	6,000	10,000
Web Store	757	10,511	25,000	45,000
Advertising Income	150	815	2,000	4,000
Total Income	363,153	402,238	450,000	500,000
Taxes and Banking Fees	1,088	2,448	3,000	3,500
Contract Services	7,183	4,543	6,500	8,000
Project Expenses	7,086	4,226	9,000	10,500
Facilities and Equipment	20,761	40,731	45,000	48,000
Operations Expenses	77,192	31,012	40,000	55,000
Programming Expenses	2,189	3,613	5,000	6,500
Payroll Expenses	65,314	64,248	66,000	68,000
Travel Expenses	660	1,097	1,000	1,200
Total Expenses	246,378	184,115	200,000	250,000

↑↑↑ 647%

Increase in our microdonations program from 2011 - when we introduced it to our members

OUR membership loves having a direct involvement in our operations and programming and have helped us engineer some of our biggest programs over the past year. Thanks to finishing some serious portions of our renovation on the facility, our expenses were also down significantly.



REVENUES

Our participation has increased significantly in the past year, thanks to our online programming



↑↑ 10%

EXPENSES

Thanks to being almost completed with our building renovation, our expenses are down



↓↓ 33%



FACILITY RENOVATION

When we moved into the Leonard Street Labs facility, we knew that a large part of our operations for the first several years was going to be preparing the facility for being open to the public. As we are reaching the tail end of this project, some of our biggest expenses are going down or disappearing entirely - allowing us to focus on programming.



STREAMLINED PROGRAMS

One of the biggest introductions in 2012 was our remote learning program, which we built directly with the help of our members who wish to participate in it. With their help, we have established a low-overhead programming environment that lets us reach more people for less money.



IN-KIND SUPPORT

Another major program introduced in 2012 was the organized efforts of in-kind donations. Rather than asking for a dollar amount for a project, we ask for a specific parts list and members contribute what they can. This both brings down costs for us and significantly increases our fiscal transparency. Donors love it because they know exactly where their dollars go.



ONLINE PRESENCE

By working directly with internet technology in every major aspect of our operations, we are able to bring our programming to geeks all over the world - completely eliminating the need to be one single building to learn, explore and play

THIS is a common scenario: We decide as a group to build a specific project. It is spoken about on the live stream channel, in the IRC, on the online forums, and in some of the YouTube videos. Members, viewers and fans provide immediate feedback on the idea, and the planning begins. Somebody in Australia may help write the project outline and make the budget. Another person in England will help source the parts and share this information. People in California, Norway, Michigan, New York and Brazil help purchase the parts. A member in New Zealand might build part of it directly and ship a finished component in. Then members in Grand Rapids put it together, usually live on the internet, with feedback directly from everybody involved.

This is a system that allows direct access to projects that many would never have by geography - and provide resources to members in Grand Rapids that would otherwise be hesitant locally. The ability to have immediate feedback is invaluable, and has streamlined our process significantly. It also helps us build better projects faster, with a significantly greater degree of transparency to our supporters.

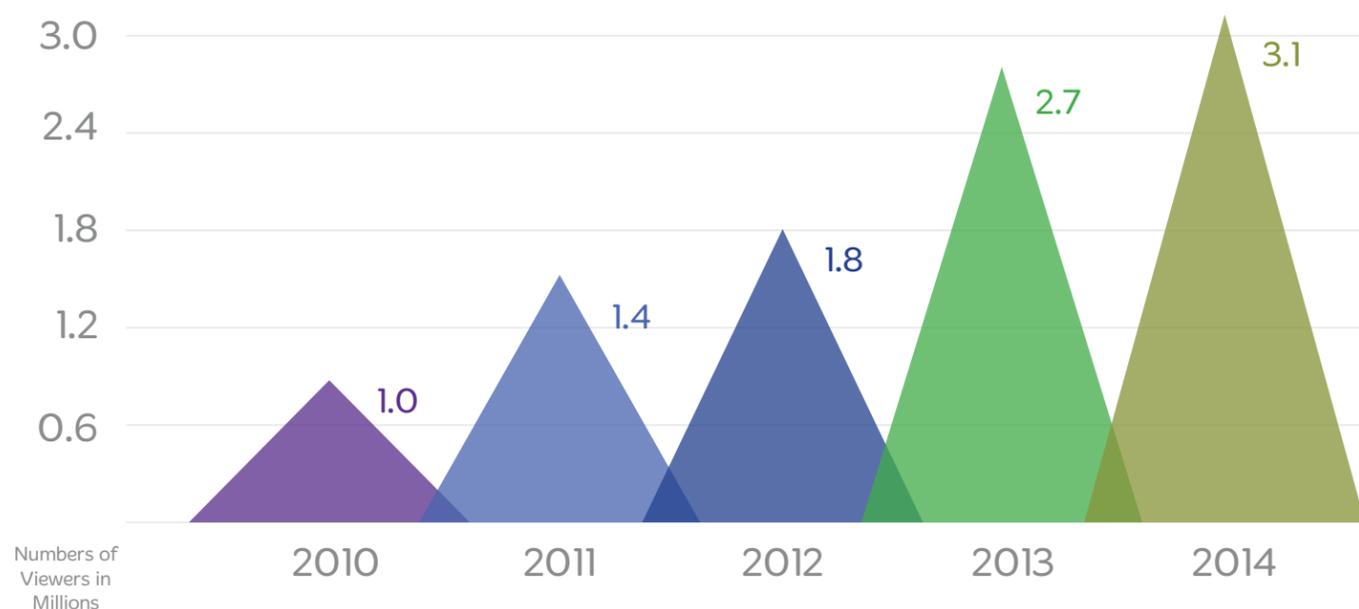
Our YouTube channel has been steadily gaining interest and support - something we expect to continue

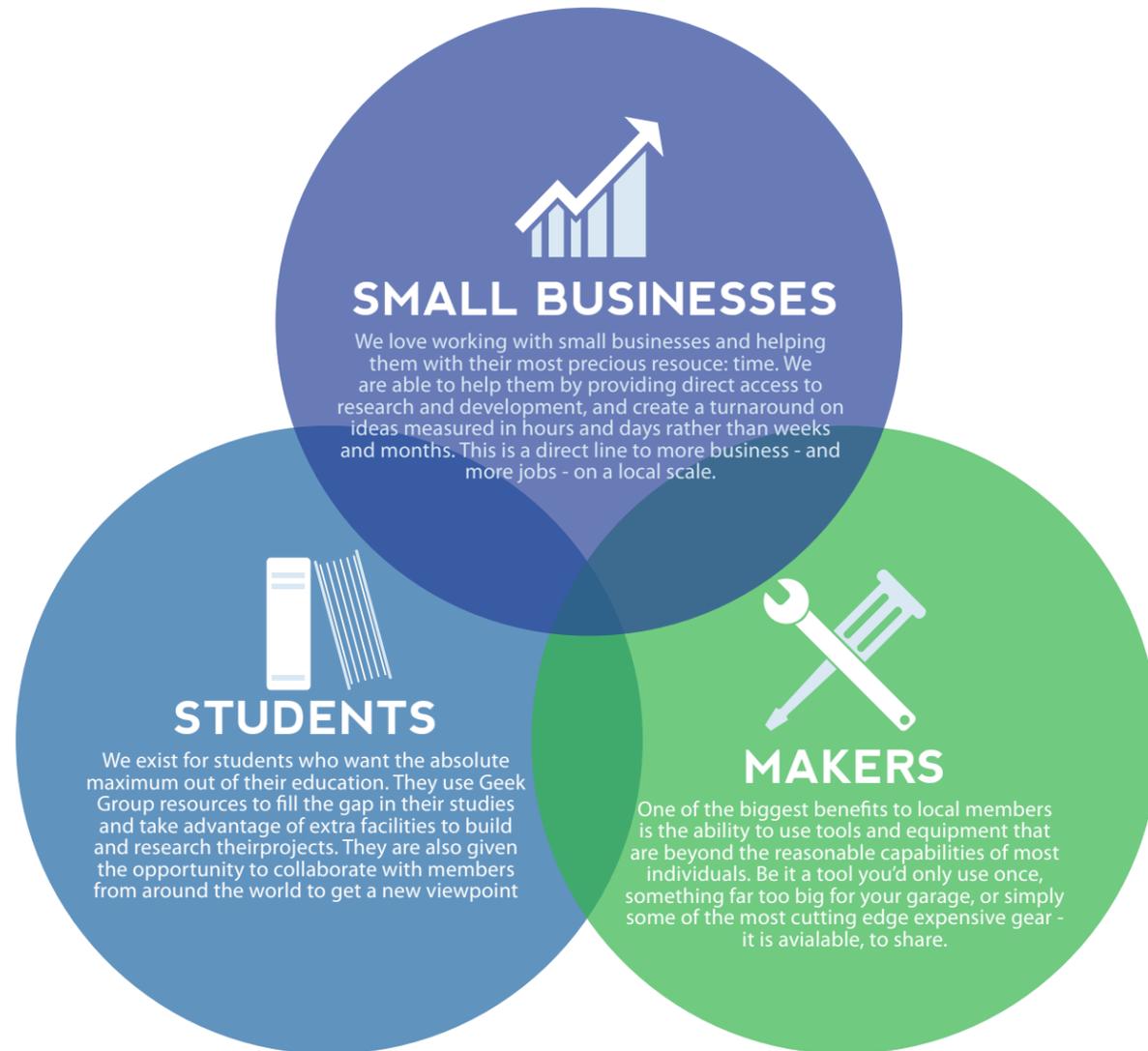
Because we publish our videos ourselves, we are not bound by traditional restrictions such as time, demographics, or subject matter. We are flexible with every aspect of our video production, which allows us to truly collaborate with our audience.

TRADITIONALLY, a video must be a very precise amount of time, must be edited to naturally handle commercials at certain points, and must cater to an audience so that it gains the most amount of viewers on its initial release. How successful a video is traditionally depends on the advertising dollars and how many people watched it right away.

By publishing our videos directly to the

internet, we have a significant amount of freedom. Videos are as long as they need to be- that could be five minutes or three hours. We can explore subjects at a depth that would never be possible in a traditional setting, and our production cycle time allows us to take an idea and try it immediately. Because we work closely with our membership, we can respond quickly to their needs and requests. This type of interactive media is unheard of in any other environment.





While we have three main demographics at our facility, the magic happens when they get the chance to interact. Students often have new ideas, makers have experience in producing and engineering, and business have projects with a direct impact on the community

WHEN a small business has complete control over their research and development process, they gain complete control over their business - and the ability to move at their pace, not the combined pace of designers, engineers and manufactures who are often scattered across the globe and not interested in working together.

Students often find themselves limited by learning at the pace of their peers. By opening

up all of the resources of their subject, they can work at their own pace and gain an edge- through internships, project building or less structured learning environments.

When these groups get the opportunity to work with people who truly enjoy making things and engineering, everybody wins. By collaborating and exploring with people from a wide variety of backgrounds, solutions are often immediate and far more innovative than they would be alone.

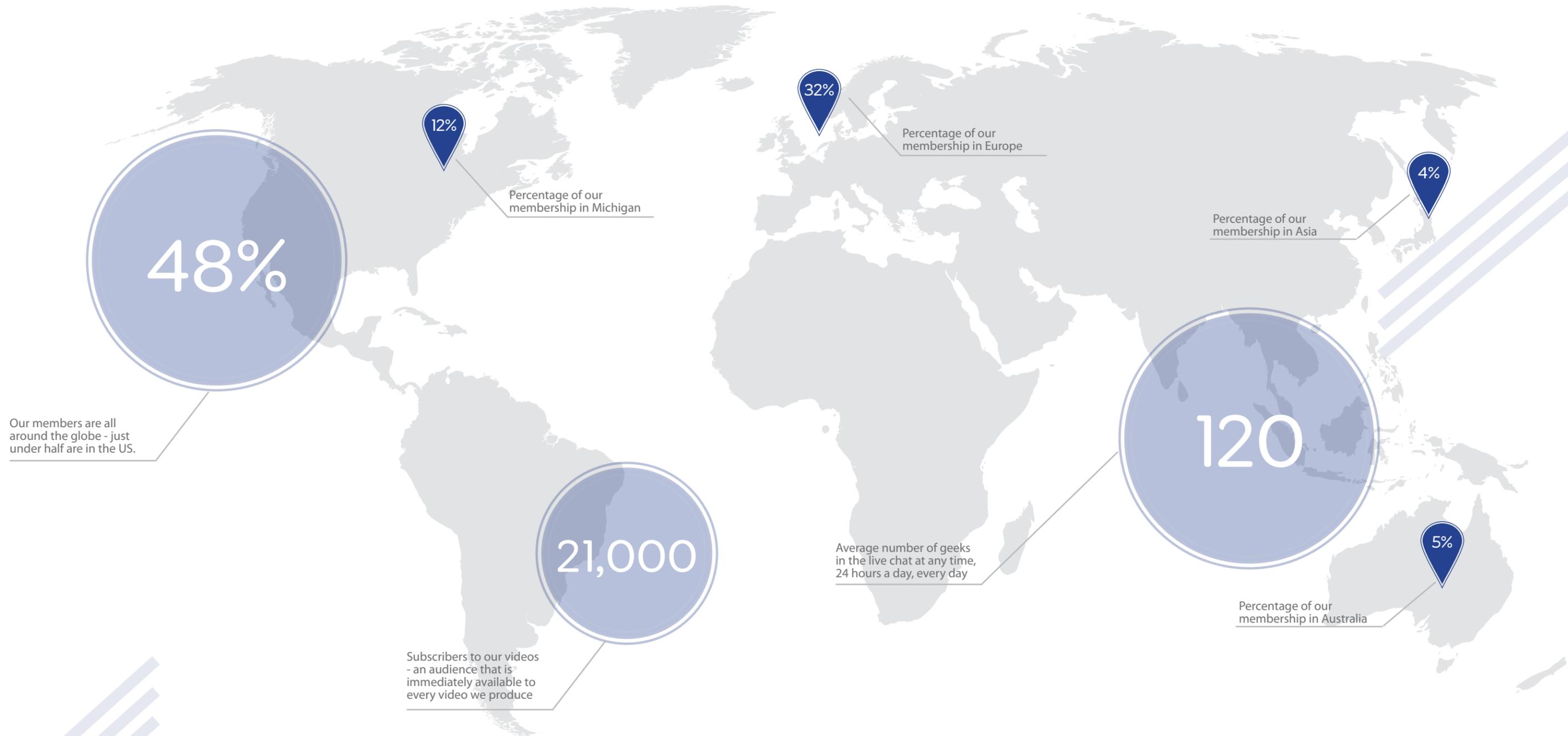
PROGRAMMING A WHOLE NEW WAY

When people have the freedom to learn how they want, when they want, at the level they want, they can truly start building awesome. By focusing our programming on the “how” as well as the “what”, everybody is able to get the most out of their experience

RATHER than focusing on specific projects and subjects, we have focused on providing an environment for everybody to learn, explore, and play. Our facility is equipped with labs that range from high voltage to woodworking to computer sciences, and by having the entire facility wired to the internet, all of these labs are available to remote members as well. On any given day, classes

will be held throughout the facility and members can interact directly with remote members. This allows people from all over the world to engage, ask questions and provide solutions. For members who cannot attend live, these sessions are available 24/7. Larger and more popular subjects become official videos that are available to anybody on YouTube, accessible whenever they want, from anywhere in the world.





MEMBERS of The Geek Group are scattered all over the globe and span all demographics: age, gender, race, educational levels, industries, interests, skill sets and commitment levels. Everybody gets an equal opportunity to share ideas, contribute to projects, and participate in discussion. This welcomes collaboration on a scale rare elsewhere.

A Geek can be anybody, anywhere, with any experience - a Geek is simply a person with a sincere and passionate desire to learn.

45%

IN THE GEEK GROUP

Percentage of our core staff and board that are women

28%

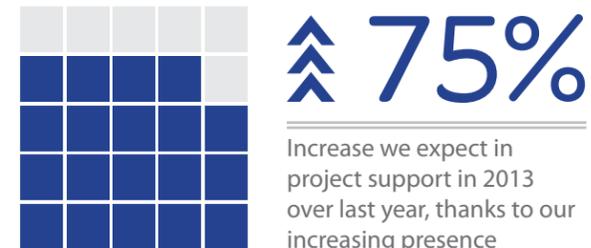
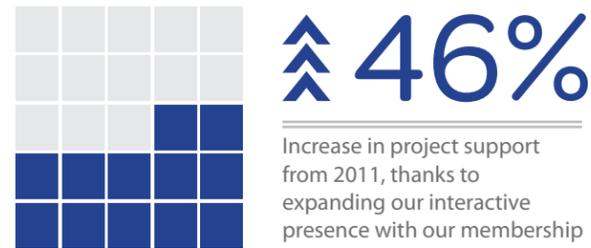
INDUSTRY AVERAGE

Women in industries such as manufacturing, vocational skills, and fabrication

PROJECT SUPPORT

We rally around Geek Group projects - large demonstration items that would rarely, if ever, be encountered elsewhere. By combining the powerhouse of our membership with our sponsors, we can build awesome - on a timeline that is immediate.

ONE of the most exciting opportunities to a Geek Group member is the opportunity to help build a project that exceeds the capabilities of any single individual, on a timeframe that is significantly faster than normal, with the support of the entire membership across the globe. Members can participate in project building in a variety of ways. The most obvious is showing up at the Leonard Street Labs and helping turn a wrench. Participation is not limited to being directly at the facility, which allows us to work at a speed that would be too ambitious if we only worked with members who could make it in person. We engineer in real-time over the internet with all interested persons and this completely levels the playing field: all ideas are considered. Educational backgrounds, degrees and experience are irrelevant when every idea is considered solely on its own merit. This allows members opportunities to explore, build and create that would otherwise be unobtainable.



A**FTER** a Geek Group project is completed, it is available for several uses. It will become an official video, available on YouTube for the general public. A typical project video averages over 50,000 views. In addition, the project is available for use at the Leonard Street Lab facility. This can be for demonstrations with visitors, members and school groups. They are also available for testing and concept exploration for members, providing access to equipment and machinery significantly more advanced than most people could ever tinker with freely.

The Geek Group	2011	2012	2013
Business Expenses	1,088	2,448	3,000
Contract Services	7,183	4,543	6,500
Facilities and Equipment	20,761	40,730	45,000
Operations	71,921	31,012	40,000
Programs	2,189	3,613	5,000
Payroll	65,314	64,248	66,000
Travel	660	1,097	1,000

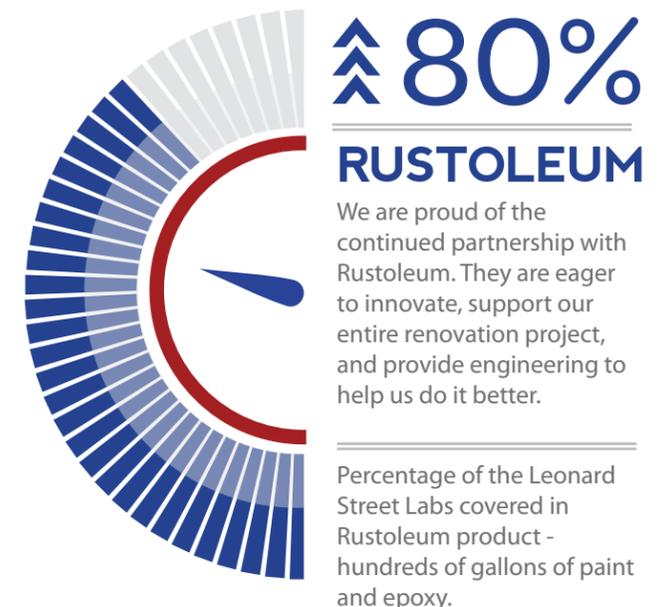
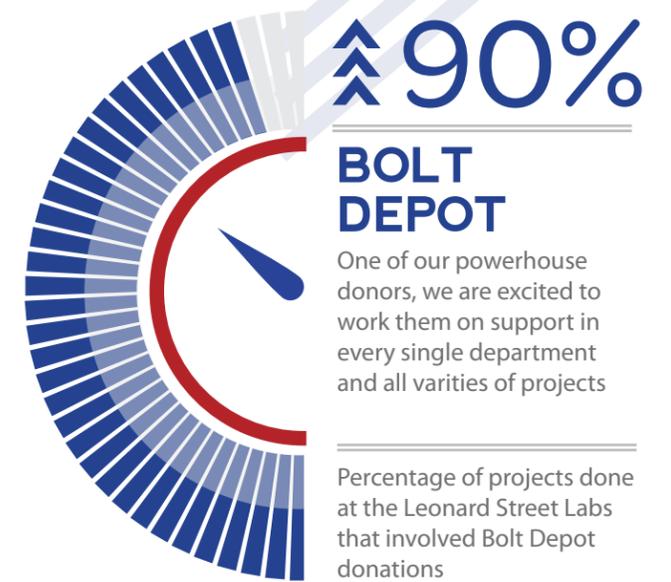
CORPORATE SUPPORT

We are able to be effective with our projects and demonstrations because we combine the power of member support with the massive assistance of corporate donations. By teaming up with manufacturers, we are able to bring awesome directly to our lab.

M**ANUFACTURING** is one of the biggest focuses at The Geek Group. We believe in showing off how things are actually made, helping people make things on their own, and empowering individuals with the understanding of the process so they can be better informed consumers.

By working directly with manufacturers, we can showcase the technology in a way that goes far beyond a storefront or showroom. We only work with manufacturers that share our ethos and production principles. By putting the products through the heavy use and abuse of daily life at The Geek Group, we are able to do product testing rarely seen elsewhere. We are also extremely firm believers in brand loyalty, and this is a trait that is passed onto our members, who understand that a Geek Group endorsement is worth it. By allowing our membership direct exposure to the tools and equipment our sponsors produce, they are likely to develop the loyalty on their own, as well.

We showcase manufacturers who truly do good work - and who want to help empower the world with understand of how things are actually made.



VOLUNTEER OVERVIEW

We run on volunteer power. Everybody is good at something that they truly enjoy doing - and we help them find their niche. In return, our volunteers help us build awesome. Every day, from every corner of the globe.

EVERYBODY has something to contribute to The Geek Group. For some, that can be as simple as stopping in for a few days after school each week and doing whatever is needed- from sweeping the floors to unloading a delivery.

For others, this is an opportunity to work with a skill set that they truly enjoy and excel at- and it doesn't matter what anybody's background is in, what their career is, how old they are, how much training they've had in that field. We care that people have the skill set, enjoy doing it, and want to help.

Members that are local contribute in a large variety of methods. Some members work on a little bit of everything, and enjoy learning new skills in addition to exercising the ones they already

have. Other members love to focus on one or two things, and they are welcome to do so. Through our volunteers, we have remodelled the facility from top to bottom.

We have disposed of over 400 tons of material - as much as possible was recycled. More than 3.5 miles of electrical wire has been run, through over a mile of new conduit. Over 100 new lights, 500 gallons of paint, and 30 gallons of epoxy have been installed, by volunteers, to help open the facility.

Volunteers are the heart of our company and the engine that drives our operations.



ASSET OVERVIEW

THE nature of what we do and how we operate puts us in a unique position when it comes to assets, liabilities and inventory.

We firmly believe in self-reliance and as such, we make a point to build up to each new project ourselves, rather than rely on a loan system. This means that sometimes projects take a bit longer for us to finish than they otherwise would, but it also guarantees that we won't start anything we can't finish.

When we start a new project, we work closely with our membership to determine the best materials and engineering for it, and then we approach potential sponsors to build it. Whatever we must purchase in the end gets researched again, for the best deal and then once again presented to our membership. From there, we crowd source the idea which allows people to participate in any way they can. This allows people to be directly involved in the project and keeps our cost to an absolute minimum. For those who wish to help more generally, we will do a donation drive for a particular project.

We try to keep to one project at a time for large membership participation and drives, which puts our focus in a narrow scope and allows us to do the best we can at one project, and also enables us to complete a project significantly faster

than in a traditional environment.

Items that are donated are sorted and then stored in different labs depending on their use. We track inventory of items donated so that as many things as possible are available to members. Keeping a large inventory of items allows us and our membership to work on a variety of projects with little to no expense. Large items can usually be stripped down into components which are infinitely useful in a variety of areas that have little to nothing to do with its original purpose. In some cases, we recycle, in others we recycle or sell surplus to members in remote locations for personal projects.

All of this helps us keep our overhead as low as possible, our progress steadfast and at a pace that is significantly faster than a traditional corporate environment.

MEMBER USE



RESOLD TO MEMBERS



REPURPOSED



RECYCLED



COMPANY ROADMAP

The Geek Group has evolved organically. It began as a hobby group on the campus of Grand Valley University with a bunch of guys that liked to build things, and has grown into the full fledged organization that exists today.

BECAUSE we have developed as an organization organically, in response to what we've done and what our membership wants, it means we have been able to progress The Geek Group at a pace appropriate to each stage of development.

By operating responsively, we have been to grow at a rate that allows us to truly flourish at each phase of our operations. We have found it is best for us to focus on our current capabilities with an eye to the future, but not with so much pressure that we are incapable of operating in the present. We have an idea of where we are going, but we are flexible with the speed and progress.

We are pretty excited about 2013 because it is a year of big change. In 2010, we made the

decision to make the next big leap, which required moving out of our 11,000 square foot facility and into a 43,000 square foot facility. This leap required us to close our smaller facility and dedicate our resources to renovating, moving in and getting operations ready for the general public.

We are rapidly approaching our opening date, and look forward to the next chapter of our organization. One of the basic principles of our philosophy has been that our models works best on a larger scale. We have experienced this throughout the remodelling progress.



LEARN

The facility is open to any level of study wanted - casual, single-day sessions or months-long in-depth research on any topic available at the lab



ENGINEER

Anybody with an idea can help engineer a solution, submitting it to peer review to help ensure all ideas are sound and functional



BUILD

We love to tell people we're here to help them build anything and everything they want - and we mean it!



PLAY

We love it when people use the facility simply to play - to tinker on a project with no particular end-goal, to explore materials and methods



HOBBYIST

1994 - It all began as a hobby group at Grand Valley State University, as a hobby group



OFFICIAL

2002 - After realizing the popularity of the concept within the community, we received our 501(c)3 status



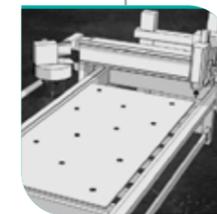
ONLINE

2002 - We also opened up the organization to people all over the world with an online forum system, and interactive elements



KUKA

2008 - We opened our Heavy Industries facility with the help of KUKA, who provided industrial robots



HAAS

2009 - Haas Automation also stepped up and donated CNC machinery, pushing the idea of fabrication and industry



LEONARD ST

2011 - We moved into our current facility and began the process of remodeling and readying the labs



AWESOME

2013 - We are opening to the public to share the idea of The Geek Group with the community of Grand Rapids

1994-2001

2002-2004

2005-2007

2008-2010

2011-2012

2013 AND BEYOND

WHAT THIS YEAR WILL BRING

We are looking forward to the next chapter of The Geek Group, which is launching in 2013. We are opening our Leonard Street Lab facility to the public, and doing a member drive to help more people build awesome.

OUR focus at the Leonard Street Labs over the past several years has been on remodelling the facility, setting up different departments and establishing the infrastructure required to run The Geek Group on a larger scale than we have ever done in the past. We are now approaching the very exciting time when we are completing that phase and moving into being open to the public and watching our hard work come to life.

We are extremely excited about making

this leap, and the impact it will have on our membership and the community. We have started working with local organizations, companies, members and volunteers and the response so far has been exciting and positive. The benefits have already been demonstrated with our beta membership and our thriving online community. With this new phase, we are pushing forward several major new projects and we are excited to see how our membership will innovate, explore, play and create.

274%

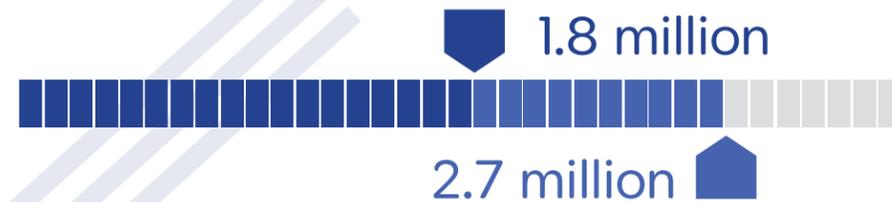
Expected increase this year in donations from 2012 - thanks to releasing our remote learning platform and BÖCSy

5000

Average views on each official Geek Group video within the first two months of releasing it to the public

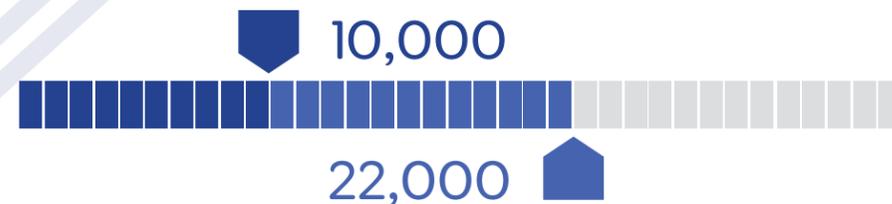
\$35

Average donation from online members - usually during live donation drives geared towards specific projects



VIDEO PRODUCTION

In response to our growing video production, viewership has skyrocketed and we expect a significant increase over last year.



ONLINE MEMBERS

As we've been introducing new features for remote members, our membership has exploded. We expect the trend to continue

Our facility is equipped with over 120 cameras for live broadcasting that can be controlled remotely and tracked over time for popular areas and use



Most of our donors donate on a regular basis, and we like to help them keep track and say thank you after milestones



Perhaps this biggest task for BÖCSy is tracking the entire inventory housed at the geek labs, how often they've been used, and for what projects



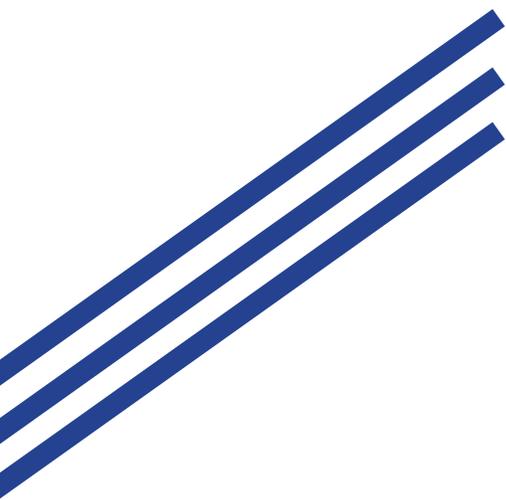
Members can monitor their lab use, volunteer hours, make reservations, monitor their children's usage, buy gift memberships, sign up for classes and request training



Every aspect of BÖCSy is modular so it is easy to add new parts and roll out portions on separate systems



All aspects of the facility are tracked, from member usage and volunteer hours to power use, project progress, machining use and, reservations



THE GEEK GROUP

We Build Awesome.
Together, We Build a
Community.