

**GRAND RAPIDS CABLE ACCESS CENTER
D/B/A COMMUNITY MEDIA CENTER**

FINANCIAL STATEMENTS

For the Years Ended June 30, 2020 and 2019

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SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Grand Rapids Cable Access Center
d/b/a Community Media Center
Grand Rapids, Michigan

We have audited the accompanying financial statements of the Grand Rapids Cable Access Center (a nonprofit corporation) d/b/a Community Media Center (the Center) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 Center'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 Center'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 Grand Rapids Cable Access Center d/b/a Community Media Center as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Seber Tans, PLC

Seber Tans, PLC
November 10, 2020

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statements of Financial Position
June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash	\$ 1,638,113	\$ 1,175,623
Accounts receivable, net of allowance for doubtful accounts of \$2,000 at June 30, 2020 and 2019	12,176	12,861
Grants receivable	-	15,854
Prepaid expenses	-	9,594
Total Current Assets	<u>1,650,289</u>	<u>1,213,932</u>
Property and Equipment		
Land	220,000	220,000
Buildings	1,317,876	1,317,876
Leasehold improvements	645,354	645,354
Radio tower	214,227	214,227
Office equipment and computers	401,550	401,689
Production and service equipment	1,740,232	1,636,866
Vehicles	56,984	56,984
Artwork	58,000	58,000
	<u>4,654,223</u>	<u>4,550,996</u>
Accumulated depreciation	<u>(3,411,672)</u>	<u>(3,256,262)</u>
	<u>1,242,551</u>	<u>1,294,734</u>
Total Assets	<u><u>\$ 2,892,840</u></u>	<u><u>\$ 2,508,666</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 2,842	\$ 12,632
Accrued salaries and wages	71,664	70,865
Total Current Liabilities	<u>74,506</u>	<u>83,497</u>
Long-Term Liabilities		
PPP loan	<u>137,922</u>	<u>-</u>
Net Assets		
Net assets without restrictions	2,680,412	2,408,769
Net assets with restrictions	-	16,400
Total Net Assets	<u>2,680,412</u>	<u>2,425,169</u>
Total Liabilities and Net Assets	<u><u>\$ 2,892,840</u></u>	<u><u>\$ 2,508,666</u></u>

See Accompanying Notes to Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions		
Public Support and Revenue		
Contract revenue	\$ 774,963	\$ 716,581
Grants and contributions	289,556	309,727
In-kind contributions:		
Property and goods	7,000	11,255
Services	379,700	320,475
Class fees	4,892	15,798
Membership dues	25,902	36,152
Services revenue	257,136	288,248
Sale of inventory	90,639	99,307
Interest and other income	14,039	1,755
Rental income	31,064	30,072
Total Public Support and Revenue	<u>1,874,891</u>	<u>1,829,370</u>
Net assets released from restriction	16,400	8,000
Total Support and Revenue and Releases	<u>1,891,291</u>	<u>1,837,370</u>
Expenses		
Program Services		
GRTV	318,273	360,519
Venue services	383,258	377,437
WYCE	470,163	426,718
IT services	128,787	119,933
Education	6,247	41,360
Rapidian	35,643	73,921
Other programs	18,304	3,569
Total Program Services	<u>1,360,675</u>	<u>1,403,457</u>
Supporting Services		
Management and general	143,156	153,589
Fundraising	115,817	149,362
Total Supporting Services	<u>258,973</u>	<u>302,951</u>
Total Expenses	<u>1,619,648</u>	<u>1,706,408</u>
Change in Net Assets without Donor Restrictions	271,643	130,962
Net Assets With Donor Restrictions		
Grants and contributions	-	16,400
Release of restrictions on funding	(16,400)	(8,000)
Change in Net Assets with Donor Restrictions	<u>(16,400)</u>	<u>8,400</u>
Change in Net Assets	255,243	139,362
Net Assets at Beginning of Year	<u>2,425,169</u>	<u>2,285,807</u>
Net Assets at End of Year	<u>\$ 2,680,412</u>	<u>\$ 2,425,169</u>

See Accompanying Notes to Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statement of Functional Expenses
For the Year Ended June 30, 2020**

	GRTV	Venue Services	WYCE	IT Services	Education	Rapidian	Other Programs	Total Program Services	Management and General	Fund-raising	Totals
Compensation	\$ 90,009	\$ 129,213	\$ 84,971	\$ 93,490	\$ 2,037	\$ 17,813	\$ (1,303)	\$ 416,230	\$ 93,456	\$ 107,589	\$ 617,275
Payroll taxes	6,465	9,266	6,047	6,726	147	1,281	-	29,932	5,999	8,228	44,159
Employee benefits	6,727	13,994	6,772	14,285	-	1,786	5,410	48,974	15,096	-	64,070
Contract labor	1,614	9,787	12,833	408	871	817	1,793	28,123	2,246	-	30,369
Facility maintenance	123	7,686	464	4,033	25	74	365	12,770	203	-	12,973
Equipment maintenance	(914)	1,541	190	2	1	4	1,847	2,671	11	-	2,682
Telephone and internet	5,085	8,029	3,276	4,979	806	6,413	280	28,868	6,646	-	35,514
Staff and board development	208	257	4	3	2	5	929	1,408	13	-	1,421
Rent	1,000	800	450	300	200	600	-	3,350	1,650	-	5,000
Supplies	129	49,656	7,931	37	25	74	431	58,283	201	-	58,484
Utilities	4,103	39,094	16,131	1,231	821	2,462	-	63,842	6,770	-	70,612
Insurance	808	150	-	-	-	-	9,594	10,552	-	-	10,552
Membership and dues	3,401	1,074	6,578	220	12	36	2,303	13,624	99	-	13,723
Miscellaneous expense	1,751	1,784	5,224	525	350	1,051	(8,942)	1,743	2,890	-	4,633
License and permits	-	2,143	-	-	-	-	-	2,143	-	-	2,143
Postage and freight	165	118	564	41	27	81	178	1,174	222	-	1,396
Printing	557	484	1,739	153	102	306	442	3,783	842	-	4,625
Professional fees	3,769	12,548	4,824	1,145	746	2,250	1,770	27,052	6,157	-	33,209
Promotions	893	330	3,481	44	29	87	700	5,564	239	-	5,803
Travel and lodging	73	274	33	22	15	44	1,514	1,975	119	-	2,094
Vehicle expense	86	69	39	26	17	52	147	436	143	-	579
Minor equipment purchases	44,014	2,792	1,053	353	2	7	846	49,067	20	-	49,087
Major equipment purchases	13,358	-	-	-	-	-	-	13,358	-	-	13,358
Bad debt expense	-	25	-	752	-	-	-	777	-	-	777
In kind programmer	48,000	-	307,300	-	-	400	-	355,700	-	-	355,700
In kind contract labor	-	24,000	-	-	-	-	-	24,000	-	-	24,000
Total Expenses Before Depreciation	231,424	315,114	469,904	128,775	6,235	35,643	18,304	1,205,399	143,022	115,817	1,464,238
Depreciation expense	86,849	68,144	259	12	12	-	-	155,276	134	-	155,410
Total Expenses	\$ 318,273	\$ 383,258	\$ 470,163	\$ 128,787	\$ 6,247	\$ 35,643	\$ 18,304	\$ 1,360,675	\$ 143,156	\$ 115,817	\$ 1,619,648

See Accompanying Notes to Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statement of Functional Expenses
For the Year Ended June 30, 2019**

	GRTV	Venue Services	WYCE	IT Services	Education	Rapidian	Other Programs	Total Program Services	Management and General	Fund-raising	Totals
Compensation	\$ 143,261	\$ 86,673	\$ 90,493	\$ 85,511	\$ 32,338	\$ 50,881	\$ (757)	\$ 488,400	\$ 100,715	\$ 127,757	\$ 716,872
Payroll taxes	10,890	6,586	6,874	6,500	2,458	3,868	-	37,176	7,368	9,706	54,250
Employee benefits	17,661	7,052	6,385	16,494	(864)	1,990	600	49,318	6,016	11,899	67,233
Contract labor	2,386	14,048	22,732	620	1,870	1,241	70	42,967	3,411	-	46,378
Consulting expense	1,445	1,120	630	420	280	840	-	4,735	2,310	-	7,045
Facility maintenance	300	12,861	429	90	64	180	43	13,967	494	-	14,461
Equipment maintenance	309	503	570	174	116	380	388	2,440	955	-	3,395
Telephone and internet	5,011	8,062	2,850	4,827	1,019	3,938	-	25,707	6,430	-	32,137
Staff and board development	333	312	828	76	51	152	306	2,058	415	-	2,473
Rent	1,000	800	450	300	200	600	-	3,350	1,650	-	5,000
Supplies	234	58,054	13,076	45	337	90	-	71,836	247	-	72,083
Utilities	5,399	44,693	15,892	1,620	1,080	3,239	-	71,923	8,908	-	80,831
Insurance	2,997	1,853	2,063	564	376	1,127	-	8,980	3,100	-	12,080
Membership and dues	3,380	1,423	6,808	30	395	616	888	13,540	167	-	13,707
Miscellaneous expense	1,930	1,586	4,992	579	386	1,158	-	10,631	3,184	-	13,815
License and permits	-	3,309	-	-	-	-	-	3,309	-	-	3,309
Postage and freight	103	82	858	31	21	62	322	1,479	168	-	1,647
Printing	599	1,212	3,947	180	120	432	(14)	6,476	988	-	7,464
Professional fees	3,814	15,472	5,099	1,124	779	2,257	1,451	29,996	6,127	-	36,123
Promotions	133	113	1,123	(1)	45	93	252	1,758	(4)	-	1,754
Travel and lodging	60	1,169	27	18	34	36	12	1,356	99	-	1,455
Vehicle expense	258	205	119	140	214	141	8	1,085	389	-	1,474
Minor equipment purchases	4,624	5,081	1,730	550	-	-	-	11,985	-	-	11,985
Major equipment purchases	6,235	-	-	-	-	-	-	6,235	-	-	6,235
Bad debt expense	2,694	-	600	-	-	-	-	3,294	-	-	3,294
In kind programmer	58,800	-	237,675	-	-	600	-	297,075	-	-	297,075
In kind contract labor	-	23,400	-	-	-	-	-	23,400	-	-	23,400
Total Expenses											
Before Depreciation	<u>273,856</u>	<u>295,669</u>	<u>426,250</u>	<u>119,892</u>	<u>41,319</u>	<u>73,921</u>	<u>3,569</u>	<u>1,234,476</u>	<u>153,137</u>	<u>149,362</u>	<u>1,536,975</u>
Depreciation expense	86,663	81,768	468	41	41	-	-	168,981	452	-	169,433
Total Expenses	<u>\$ 360,519</u>	<u>\$ 377,437</u>	<u>\$ 426,718</u>	<u>\$ 119,933</u>	<u>\$ 41,360</u>	<u>\$ 73,921</u>	<u>\$ 3,569</u>	<u>\$ 1,403,457</u>	<u>\$ 153,589</u>	<u>\$ 149,362</u>	<u>\$ 1,706,408</u>

See Accompanying Notes to Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 255,243	\$ 139,362
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	155,410	169,433
Bad debts	777	3,294
Changes in operating assets and liabilities:		
Accounts receivable	(92)	32,744
Grants receivable	15,854	115,844
Prepaid expenses	9,594	(9,594)
Accounts payable	(9,790)	11,143
Accrued expenses	799	18,922
Net Cash Provided by Operating Activities	<u>427,795</u>	<u>481,148</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(103,227)</u>	<u>(14,536)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP Loan	<u>137,922</u>	<u>-</u>
Change in Cash	462,490	466,612
Cash at Beginning of Year	<u>1,175,623</u>	<u>709,011</u>
Cash at End of Year	<u>\$ 1,638,113</u>	<u>\$ 1,175,623</u>

See Accompanying Notes to Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019**

NOTE A – Summary of Significant Accounting Policies

Business Activities

The Grand Rapids Cable Access Center, Inc. d/b/a Community Media Center (the Center) operates through funding provided by a contract with the City of Grand Rapids, membership fees, class fees, grants and donations. The Center operates GRTV, a nonprofit public access television station. Its purpose is to provide metropolitan Grand Rapids and selected outlying communities with non-commercial access programming through Comcast Cable Services. The funding provided by the City is restricted to funding the operations of GRTV only and is required to be maintained in a segregated bank account. The contract between the Center and the City expires December 31, 2023. Current programs and services provided by Grand Rapids Cable Access Center, Inc. d/b/a Community Media Center include the following:

Other Programming Services

The Center provides project-based media and technology services in partnerships with various community entities.

GRTV

GRTV is the designated public access television provider for the City of Grand Rapids and many of the surrounding communities. GRTV plays non-commercial video programs submitted by the community on channels 25 and 24 (LiveWire). GRTV also loans out equipment to make programs and conducts training workshops to certify Community Media Center members to borrow equipment for these purposes. GRTV also has a production wing called Community Media Services that helps other nonprofit organizations with their media production needs.

Wealthy Theatre

The Community Media Center operates the Wealthy Theatre, a historic, 400-seat neighborhood theatre. The theatre is a community space for concerts, films, lectures and other performances and rehearsals. Wealthy Theatre is also available for member programmed events. A concession stand and smaller meeting rooms are also available to support events.

WYCE 88.1 FM

The Center operates WYCE 88.1 FM, a non-commercial, educational radio station. The station is funded through listener contributions, class fees, promotional concert series and fundraising events.

IT Services

The Center provides IT Services for nonprofit organizations.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019**

NOTE A – Summary of Significant Accounting Policies (Continued)

Education Services

The Center operates on-site and off-site educational training in media production, media literacy, and technology applications. Educational services are funded through donations, grants, user fees and consulting services.

Rapidian

Is a hyper-local, web-based community news and information site. Content is created by volunteer citizen journalists, interns and CMC staff.

Basis of Presentation

The financial statements of the Center have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulate time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

For purposes of the statement of cash flows, cash is defined as cash in checking, savings, and money market accounts, and investments with an initial maturity of less than three months.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its evaluation of the status of individual accounts, past credit history with customers and the customers' current financial condition. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019**

NOTE A – Summary of Significant Accounting Policies (Continued)

Contributions and Promises

The Center has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605), as management believes this standard improves the usefulness and understandability of the Center's financial reporting. The Center does not believe the application of the provisions has a material effect on the amounts presented or disclosed.

Contributions to the Center are recognized when a donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its evaluation of the status of individual accounts, past credit history with donors and the donors' current financial condition. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The majority of these promises are expected to be collected within one year. The long-term portion of promises to give has been deemed immaterial to segregate and the related discount has been deemed immaterial to record.

Property and Equipment

The Center follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Donations of property and equipment are recorded as support at the estimated fair value at the time received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Depreciation is recorded on the straight-line and accelerated methods at rates based on the estimated useful life of the asset. Works of art are not depreciated because they do not have a determinable useful life.

In the event the contract between the Center and the City of Grand Rapids (City) is terminated, the Center is required to transfer title and possession of all assets acquired in whole or part with funds provided by the City, or with funds raised independently by the Center which were used to qualify for payment of matching funds to the City.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019**

NOTE A – Summary of Significant Accounting Policies (Continued)

Donated Services, Property, Goods and Facilities

Amounts that have been reported in the financial statements as voluntary donations of services are those services that create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills, which would be typically purchased if not provided by donation. In-kind services of \$379,700 and \$320,475 have been recorded in the statements of activities for the years ended June 30, 2020 and 2019, respectively. These in-kind services were primarily for the staffing of WYCE.

In addition, contributions of property, goods and facilities of \$7,000 and \$11,255 are recorded in the statements of activities at their estimated fair value for the years ended June 30, 2020 and 2019, respectively.

Functional Allocation of Expenses

The costs of providing the Center's various programs and supporting services have been summarized on a functional basis in the statements of activities. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Such allocations are determined by management on an equitable basis and are consistently applied.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Employee benefits	Time and effort
Payroll taxes	Time and effort
Utilities	Time and effort
Supplies	Program benefitted
Insurance	Time and effort
Depreciation	Square footage and program benefitted
Repairs and maintenance	Square footage and program benefitted
Other costs	Time and effort

Income Taxes

The Internal Revenue Service has determined the Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). However, the Center receives rental income from a cellular company for rental of its radio tower and rental income from parking space at Wealthy Theatre that is unrelated to their tax-exempt purpose and accordingly is subject to unrelated business income taxes.

Management of the Center considers the likelihood of changes by taxing authorities in its exempt organization returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed returns that require disclosure in the accompanying financial statements.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019**

NOTE A – Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of management’s estimates. These estimates affect the amounts reported in the financial statements and the disclosures provided. Actual results may differ from management’s estimates.

Advertising Costs

All advertising costs are expensed in the period in which they are incurred.

NOTE B – Restriction on Assets

Net assets with donor restrictions were as follows for the years ended:

	2020		2019
Specific purpose	\$	---	\$ 16,400

NOTE C – Concentrations

Major Funding Source

Approximately 52% of the Center's revenue was provided by the City of Grand Rapids and other municipalities under an operating agreement providing funding to the Center through fees received from commercial cable providers for the years ended June 30, 2020 and 2019, respectively. The agreement with the City of Grand Rapids expires December 31, 2023. There is currently proposed legislation that may eliminate or reduce fees that cable providers are required to pay municipalities. The loss of this revenue will have a negative impact on the Center.

Credit Risk

The Center has financial instruments that are subject to credit risk which include: accounts receivable, promises receivable, and cash that at times may exceed FDIC insurance limits. The Center maintains its cash deposits with several financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. At June 30, 2020, approximately \$1,392,000 of the Center’s cash deposit balances were in excess of the FDIC insured limits.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019**

NOTE D – Leases

The Center leases facilities under an operating lease expiring December 31, 2037. The lease requires an annual payment of \$5,000. Lease expense totaled \$5,000 during each of the years ended June 30, 2020 and 2019. The future minimum lease payments required under this facility lease agreement are as follows:

2021	\$ 5,000
2022	5,000
2023	5,000
2024	5,000
2025	5,000
Thereafter	60,000
	<u>\$ 85,000</u>

Commencing September 2016, the Center signed a three-year agreement to lease a portion of the parking lot which was extended in 2019 for an additional three years. Rent income in the amount of \$850 is received monthly. Total future rents to be received as of June 30, 2020 totals approximately \$22,525.

NOTE E – Retirement Plan

The Center sponsors a retirement plan (the Plan) covering all eligible employees, which contains 403(b) salary reduction provisions. Under the Plan, an employee may elect to make a voluntary salary deferral to the Plan up to amounts allowed under federal law. Employer contributions to the Plan may be made annually based on a percentage of eligible employees' gross pay at the discretion of the Board of Directors. No employer contributions to the Plan were made during the fiscal years ended June 30, 2020 and 2019.

NOTE F – COVID 19 and Paycheck Protection Program (PPP)

A novel strain of coronavirus surfaced in Wuhan, China and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and financial results of the Center could be materially adversely affected. The extent to which the coronavirus may impact business activity will depend on future developments. The Center has experienced a decrease in service revenues through June 30, 2020. This decrease is expected to continue until the coronavirus is contained and under control.

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which includes a Small Business Paycheck Protection Program ("PPP") under the auspices of the federal Small Business Administration ("SBA"). These funds can be used for costs related to payroll, employee health care, rent, and utilities. On April 28, 2020, the Center borrowed approximately \$138,000 from a financial institution under the PPP. The interest rate is 1%, the loan term is two years and the principal and interest payments are due monthly. To the extent the funds are used for qualifying expenses under the program during the 24-week period beginning on the date of the loan origination, the Center may apply for loan forgiveness.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019**

NOTE G – Cash Flow Information

No cash was paid for interest during the years ended June 30, 2020 and 2019.

NOTE H – Liquidity and Availability

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprised the following:

	2020	2019
Cash	\$ 1,638,113	\$ 1,175,623
Accounts and grants receivable	12,176	28,715
Total assets available	<u>1,650,289</u>	<u>1,204,338</u>
Less: Assets with donor restrictions	---	(16,400)
Available for operations	<u>\$ 1,650,289</u>	<u>\$ 1,187,938</u>

The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations are due.

NOTE I – Subsequent Events

Management has evaluated subsequent events through November 10, 2020, the date on which the financial statements were available to be issued.