

**GRAND RAPIDS CABLE ACCESS CENTER
d/b/a COMMUNITY MEDIA CENTER**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For the Years Ended June 30, 2025 and 2024

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SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2025 and 2024, 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.

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, 2025 and 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of GRTV Expenses to Budget for the year ended June 30, 2025, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Seber Tans, PLC

Seber Tans, PLC
Kalamazoo, Michigan
October 24, 2025

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statements of Financial Position
June 30, 2025 and 2024**

ASSETS	2025	2024
Current Assets		
Cash	\$ 1,201,353	\$ 1,616,337
Accounts receivable, net of allowance for doubtful accounts of \$3,375 at June 30, 2025 and \$2,000 at June 30, 2024	68,639	47,922
Grants receivable	30,000	-
Prepaid expenses	-	12,469
Total Current Assets	<u>1,299,992</u>	<u>1,676,728</u>
Property and Equipment		
Land	220,000	220,000
Buildings	1,317,876	1,317,876
Leasehold improvements	645,355	645,355
Radio tower	214,227	214,227
Office equipment and computers	464,356	464,356
Production and service equipment	1,745,513	1,705,746
Vehicles	9,257	9,257
Artwork	58,000	58,000
	<u>4,674,584</u>	<u>4,634,817</u>
Accumulated depreciation	<u>(3,619,113)</u>	<u>(3,447,225)</u>
	<u>1,055,471</u>	<u>1,187,592</u>
Right of use asset - net of accumulated amortization	<u>48,386</u>	<u>54,678</u>
Total Assets	<u><u>\$ 2,403,849</u></u>	<u><u>\$ 2,918,998</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 19,772	\$ 42,841
Accrued salaries and wages	112,332	108,164
Current portion of operating lease liability	5,000	4,751
Total Current Liabilities	<u>137,104</u>	<u>155,756</u>
Long-term Liabilities		
Operating lease liability, net of current portion	<u>38,867</u>	<u>47,426</u>
Net Assets		
Net assets with restrictions	30,000	-
Net assets without restrictions	2,197,878	2,715,816
Total Net Assets	<u>2,227,878</u>	<u>2,715,816</u>
Total Liabilities and Net Assets	<u><u>\$ 2,403,849</u></u>	<u><u>\$ 2,918,998</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, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Net Assets Without Donor Restrictions		
Public Support and Revenue		
Contract revenue	\$ 594,412	\$ 842,147
Grants and contributions	618,891	344,569
In-kind contributions:		
Property and goods	5,956	2,800
Services	332,480	322,313
Membership dues	68,138	46,774
Services revenue	539,037	275,076
Ticket and concession sales	227,661	424,432
Interest and other	37,314	30,862
Rental income	36,056	35,415
Total Public Support and Revenue	<u>2,459,945</u>	<u>2,324,388</u>
Net assets released from restriction	-	149,623
Total Support and Revenue and Releases	<u>2,459,945</u>	<u>2,474,011</u>
 Expenses		
Program Services		
GRTV	894,231	1,009,444
Venue services	780,086	711,001
WYCE	708,231	630,124
IT services	139,052	159,834
Rapidian	165,554	129,273
Total Program Services	<u>2,687,154</u>	<u>2,639,676</u>
Supporting Services		
Management and general	217,142	119,255
Fundraising	73,587	67,227
Total Supporting Services	<u>290,729</u>	<u>186,482</u>
Total Expenses	<u>2,977,883</u>	<u>2,826,158</u>
 Change in Net Assets Without Donor Restrictions	(517,938)	(352,147)
Net Assets with Donor Restrictions		
Grants	30,000	-
Release of restrictions on funding	-	(149,623)
Change in Net Assets with Donor Restrictions	<u>30,000</u>	<u>(149,623)</u>
 Change in Net Assets	(487,938)	(501,770)
 Net Assets at Beginning of Year	<u>2,715,816</u>	<u>3,217,586</u>
 Net Assets at End of Year	<u>\$ 2,227,878</u>	<u>\$ 2,715,816</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, 2025**

	GRTV	Venue Services	WYCE	Web Services	Rapidian	Total Program Services	Management and General	Fundraising	Totals
Compensation	\$ 451,458	\$ 349,084	\$ 239,305	\$ 96,802	\$ 79,260	\$ 1,215,909	\$ 77,145	\$ 56,562	\$ 1,349,616
Payroll taxes	31,151	24,087	16,512	6,679	5,469	83,898	6,104	3,507	93,509
Employee benefits	37,962	37,365	40,787	6,407	8,181	130,702	7,169	6,030	143,901
Contract labor	26,529	8,586	1,424	34	13,702	50,275	361	2,134	52,770
Consulting expense	6,373	3,974	3,792	2,424	3,446	20,009	2,675	161	22,845
Facility maintenance	7,541	41,847	1,727	787	1,024	52,926	2,291	-	55,217
Equipment maintenance	14,303	6,022	507	2,226	40	23,098	245	-	23,343
Production expense	373	-	15,497	-	-	15,870	382	-	16,252
Telephone and internet	25,337	11,499	6,790	10,739	6,089	60,454	2,860	-	63,314
Staff and board development	5,646	(402)	276	200	740	6,460	10,037	-	16,497
Rent	1,875	-	1,042	417	625	3,959	1,042	-	5,001
Supplies	1,022	130,529	174	14	258	131,997	2,859	25	134,881
Utilities	9,309	46,438	17,059	1,458	2,004	76,268	3,096	-	79,364
Insurance	2,576	1,305	7,535	1,305	1,540	14,261	-	-	14,261
Membership and dues	6,723	3,228	7,776	727	25,600	44,054	5,939	-	49,993
Miscellaneous expense	2,999	15,523	3,462	1,030	1,030	24,044	20,267	-	44,311
License and permits	-	2,515	15	-	-	2,530	30	-	2,560
Postage and freight	1,295	431	1,019	92	971	3,808	120	3,473	7,401
Printing	5,248	2,427	4,036	413	3,769	15,893	1,281	-	17,174
Professional fees	42,724	36,724	5,156	6,574	3,610	94,788	21,232	441	116,461
Promotions	10,505	7,414	4,201	525	3,525	26,170	11,112	80	37,362
Travel and lodging	3,492	(3,188)	1,794	-	2,957	5,055	1,386	-	6,441
Vehicle expense	70	-	-	-	111	181	38	-	219
Minor equipment purchases	2,381	886	5,869	199	1,340	10,675	885	1,174	12,734
Major equipment purchases	106,285	-	-	-	-	106,285	-	-	106,285
In-kind programmer	12,228	-	319,989	-	263	332,480	-	-	332,480
Total Expenses									
Before Depreciation	<u>815,405</u>	<u>726,294</u>	<u>705,744</u>	<u>139,052</u>	<u>165,554</u>	<u>2,552,049</u>	<u>178,556</u>	<u>73,587</u>	<u>2,804,192</u>
Depreciation expense	<u>78,826</u>	<u>53,792</u>	<u>2,487</u>	<u>-</u>	<u>-</u>	<u>135,105</u>	<u>38,586</u>	<u>-</u>	<u>173,691</u>
Total Expenses	<u>\$ 894,231</u>	<u>\$ 780,086</u>	<u>\$ 708,231</u>	<u>\$ 139,052</u>	<u>\$ 165,554</u>	<u>\$ 2,687,154</u>	<u>\$ 217,142</u>	<u>\$ 73,587</u>	<u>\$ 2,977,883</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, 2024**

	GRTV	Venue Services	WYCE	Web Services	Rapidian	Total Program Services	Management and General	Fundraising	Totals
Compensation	\$ 429,971	\$ 306,448	\$ 205,958	\$ 114,755	\$ 43,162	\$ 1,100,294	\$ 70,695	\$ 57,010	\$ 1,227,999
Payroll taxes	31,067	22,499	15,593	8,660	3,254	81,073	3,975	3,535	88,583
Employee benefits	51,021	36,436	34,901	9,241	3,846	135,445	1,806	6,682	143,933
Contract labor	22,515	9,818	4,291	269	7,940	44,833	18	-	44,851
Consulting expense	33,296	15,221	8,075	1,243	488	58,323	76	-	58,399
Facility maintenance	18,089	29,903	4,526	3,010	91	55,619	725	-	56,344
Equipment maintenance	2,140	2,845	1,600	35	-	6,620	-	-	6,620
Production expense	-	-	10,050	-	-	10,050	-	-	10,050
Telephone and internet	23,667	12,465	8,195	10,721	8,100	63,148	309	-	63,457
Staff and board development	5,992	2,291	1,432	835	946	11,496	166	-	11,662
Rent	1,875	-	325	300	-	2,500	-	-	2,500
Supplies	6,176	116,699	3,998	479	464	127,816	379	-	128,195
Utilities	42,392	15,587	15,747	2,793	-	76,519	-	-	76,519
Insurance	9,614	2,124	8,603	412	2,764	23,517	26	-	23,543
Membership and dues	14,898	4,678	11,438	659	50,016	81,689	131	-	81,820
Miscellaneous expense	14,462	11,142	1,590	360	176	27,730	123	-	27,853
License and permits	27	2,298	23	-	15	2,363	-	-	2,363
Postage and freight	3,613	1,625	3,736	110	994	10,078	29	-	10,107
Printing	13,974	7,136	6,308	202	356	27,976	-	-	27,976
Professional fees	41,854	40,337	12,194	666	224	95,275	(192)	-	95,083
Promotions	28,139	9,017	8,197	2,491	4,036	51,880	531	-	52,411
Travel and lodging	8,706	2,000	1,595	1,687	1,372	15,360	1	-	15,361
Vehicle expense	685	9	112	3	111	920	-	-	920
Minor equipment purchases	5,176	1,190	678	711	918	8,673	-	-	8,673
Bad debt expense	-	2,833	-	192	-	3,025	-	-	3,025
Major equipment purchases	52,984	-	501	-	-	53,485	-	-	53,485
In kind programmer	64,463	-	257,850	-	-	322,313	-	-	322,313
Total Expenses									
Before Depreciation	926,796	654,601	627,516	159,834	129,273	2,498,020	78,798	67,227	2,644,045
Depreciation expense	82,648	56,400	2,608	-	-	141,656	40,457	-	182,113
Total Expenses	\$ 1,009,444	\$ 711,001	\$ 630,124	\$ 159,834	\$ 129,273	\$ 2,639,676	\$ 119,255	\$ 67,227	\$ 2,826,158

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, 2025 and 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2025</u>	<u>2024</u>
Change in Net Assets	\$ (487,938)	\$ (501,770)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	173,691	181,396
Bad debts	-	3,025
Changes in operating assets and liabilities:		
Accounts receivable	(20,717)	(40,606)
Grants receivable	(30,000)	-
Prepaid expenses	12,469	(3,175)
Accounts payable	(23,069)	(30,458)
Accrued expenses	4,168	18,738
Lease liability	-	(1,784)
Net Cash Used in Operating Activities	<u>(371,396)</u>	<u>(374,634)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(43,588)</u>	<u>(84,007)</u>
Change in Cash	(414,984)	(458,641)
Cash at Beginning of Year	<u>1,616,337</u>	<u>2,074,978</u>
Cash at End of Year	<u>\$ 1,201,353</u>	<u>\$ 1,616,337</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, 2025 and 2024**

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 current contract between the Center and the City expires December 31, 2026. Current programs and services provided by Grand Rapids Cable Access Center, Inc. d/b/a Community Media Center include the following:

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.

Venue Services - 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.

Web Services

The Center designs and develops websites for nonprofit organizations. All projects are created on our internally built content management system (CMS) allowing our clients effortless site management. All projects are built to ensure universal accessibility across all devices. Our CMS is ever evolving, with continuous development, enhancements, and security updates to provide the most advanced and secure projects and extends to meet the needs of diverse projects, from historic collection management to public access TV stations, limited only by your imagination!

Rapidian

The Rapidian is Grand Rapids' citizen journalism platform and dedicated hyperlocal news hub. Their objective is to create hyperlocal news by bringing the community into the newsroom, and empower citizen journalists with comprehensive training, workshops and mentorship. The focus of this program is community-driven and collaborative journalism, which include partnerships and prioritizing coverage based on actively listening to and amplifying the information needs of their community.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024**

NOTE A – Summary of Significant Accounting Policies (Continued)

Other Programming Services

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

Video Services

The Center provides a wide range of professional and affordable video solutions for non-profit organizations and community partners in Grand Rapids and West Michigan. The Center specializes in multi-camera video livestreaming production, technical direction, and delivery. In order to provide these services they also offer paid internships and crew positions for individuals looking to kickstart their careers in video production.

Education Services

The center offers certification classes that teach the essentials of video production, editing with FCP and Davinci Resolve, studio production, and podcasting. The center also offers advanced courses on more advanced gear like the DJI Ronin 4D and Blackmagic Pocket Cinema Cameras. Beyond classes, The Center offers hands-on workshops which cover a gamut of video production skills, along with other programs like their Media Makers summer camp for high schoolers.

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 those 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.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024**

NOTE A – Summary of Significant Accounting Policies (Continued)

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.

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.

Revenue Recognition

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.

Class fees, member dues, services revenue, ticket and concession sales, and rental income are recognized at the point in time when control of products or promised services is transferred to customers, in an amount that reflects the consideration the Center expects to be entitled to in exchange for those services.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024**

NOTE A – Summary of Significant Accounting Policies (Continued)

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 contracts between the Center and the City of Grand Rapids (City) are 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.

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 \$332,480 and \$322,313 have been recorded in the statements of activities for the years ended June 30, 2025 and 2024, respectively. These in-kind services were primarily for the staffing of WYCE.

In addition, contributions of property, goods and facilities of \$5,956 and \$2,800 are recorded in the statements of activities at their estimated fair value for the years ended June 30, 2025 and 2024, 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

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024**

NOTE A – Summary of Significant Accounting Policies (Continued)

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.

Advertising Costs

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

Lease Accounting

The Center recognizes a right-of-use asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases are classified as operating or financing, with classification affecting the pattern and classification of expense recognition in the statement of activities. See Note E for additional information.

NOTE B – Restriction on Assets

On June 30, 2025, the Center had net assets with donor restrictions totaling \$30,000 for LEED upgrades for WYCE. The Center had no net assets with donor restrictions at June 30, 2024.

NOTE C – Concentrations

Major Funding Source

Approximately 24% and 36% 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, 2025 and 2024, respectively. The agreement with the City of Grand Rapids expires December 31, 2026.

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, 2025, approximately \$951,000 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, 2025 and 2024**

NOTE D – 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 fiscal years ended June 30, 2025 or 2024.

NOTE E – Leases

Effective July 1, 2022, in accordance with the adoption of ASC 842, the Center recorded a right-of-use asset for its office and production facilities. Amounts recognized in the accompanying financial statements as of and for the years ended June 30, 2025 and 2024, are as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Right-of-use asset, gross	\$ 58,391	\$ 62,495
Accumulated amortization	<u>10,006</u>	<u>7,929</u>
Right-of-use asset, net	<u>\$ 48,385</u>	<u>\$ 54,566</u>
Remaining operating lease liability	<u>\$ 43,867</u>	<u>\$ 54,566</u>

The office space lease extends through December 31, 2037. The lease requires an annual payment of \$5,000. The remaining lease period is a weighted average of 131 months. Lease expense totaled \$5,000 during each of the years ended June 30, 2025 and 2024.

Future undiscounted minimum lease payments under this operating lease as of June 30, 2025, are as follows:

	<u>Amount</u>
Payments scheduled for the year ending:	
2026	\$ 5,000
2027	5,000
2028	5,000
2029	5,000
2030	5,000
Thereafter	<u>30,000</u>
Total payments remaining	55,000
Less amount representing interest	11,133
Less current obligations	<u>5,000</u>
Long-term obligations under operating lease	<u>\$ 38,867</u>

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024**

NOTE E – Leases (Continued)

The lease contract contains an implicit interest rate which is not readily determinable. As such, the Company has elected to apply the practical expedient available under ASU 2016-02 of using a risk-free rate in the determination of the present value of the lease payments. Accordingly, the Company has applied the risk-free rate available at the lease commencement date (weighted average of 3.42%) to its calculation of net present value.

NOTE F – Cash Flow Information

No cash was paid for interest during the years ended June 30, 2025 and 2024.

NOTE G – 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:

	2025	2024
Cash	\$ 1,201,353	\$ 1,616,337
Accounts receivable	68,639	47,922
Total Assets Available	<u>1,269,992</u>	<u>1,664,259</u>
Less: Assets with donor restrictions	-	-
Available for Operations	<u>\$ 1,269,992</u>	<u>\$ 1,664,259</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 H – Contingencies

The Federal Communications Commission (FCC) has rulemaking authority over cable providers and changed how cable providers may calculate required payments to municipalities. The FCC rule change was challenged in federal court and the most significant provision, which would have allowed cable companies to determine the fair market value of the fees, was defeated. The ruling may be appealed but, as of now, no appeal related to this provision of the ruling has been filed. Management believes the impact of the FCC rule change on the Center has been significantly reduced by this court ruling and will not materially impact operations.

NOTE I – Subsequent Events

Management has evaluated subsequent events through October 24, 2025, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Schedule of GRTV Expenses to Budget
For the Year Ended June 30, 2025**

	Budget	Expense	Variance
Compensation	\$ 466,249	\$ 451,458	\$ 14,791
Payroll taxes	-	31,151	(31,151)
Employee benefits	53,418	37,962	15,456
Contract labor	3,510	26,529	(23,019)
Consulting expense	18,000	6,373	11,627
Facility maintenance	5,800	7,541	(1,741)
Equipment maintenance	2,000	14,303	(12,303)
Production expense	-	373	(373)
Telephone and internet	21,646	25,337	(3,691)
Staff and board development	6,200	5,646	554
Rent	3,500	1,875	1,625
Supplies	1,500	1,022	478
Utilities	18,075	9,309	8,766
Insurance	5,440	2,576	2,864
Membership and dues	6,500	6,723	(223)
Miscellaneous expense	6,840	2,999	3,841
Postage and freight	2,000	1,295	705
Printing	3,960	5,248	(1,288)
Professional fees	47,487	42,724	4,763
Promotions	11,000	10,505	495
Travel and lodging	4,000	3,492	508
Vehicle expense	500	70	430
Minor equipment purchases	2,500	2,381	119
Major equipment purchases	187,000	106,285	80,715
In-kind programmer	-	12,228	(12,228)
Total Expenses Before Depreciation	<u>877,125</u>	<u>815,405</u>	<u>61,720</u>
Depreciation expense	-	78,826	(78,826)
Total Expenses	<u>\$ 877,125</u>	<u>\$ 894,231</u>	<u>\$ (17,106)</u>

See Accompanying Notes to Financial Statements