COMMUNITY ACCESS TELEVISION FOR MALDEN, INC. D/B/A URBAN MEDIA ARTS

Financial Statements

Years ended June 30, 2023 and 2022

COMMUNITY ACCESS TELEVISION FOR MALDEN, INC.
D/B/A URBAN MEDIA ARTS

Financial Statements
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Leonard, Mulherin & Greene, P.C.
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Access Television for Malden, Inc.
D/B/A Urban Media Arts
Malden, Massachusetts

Opinion

We have audited the accompanying financial statements of Community Access Television for Malden, Inc. D/B/A Urban Media Arts (a Massachusetts nonprofit corporation) (the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, 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 the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Organization 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Organization'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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 judgement 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 Organization'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 Organization'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.

Emphasis of Matter

As discussed in Note 5 to the financial statements, the Organization acts as the City of Malden's designated access corporation in relation to its cable license agreements with Comcast Cable Communications Management, LLC and Verizon New England, Inc. Accordingly, the Organization received its principal support for the years ended June 30, 2023 and 2022 from the City of Malden in the form of a grant. Under the current cable license agreements, the Organization will receive funding until December 2032 as the City of Malden's designated access corporation. Our opinion is not modified with respect to that matter.

Leonard, Mulherin & Greene, P.C.

LEONARD, MULHERIN & GREENE, P.C.
Braintree, Massachusetts

September 21, 2023

COMMUNITY ACCESS TELEVISION FOR MALDEN, INC.
D/B/A URBAN MEDIA ARTS

Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ **334,243**	$ 326,850
Accounts receivable	**210,115**	550,548
Prepaid expenses	**9,485**	7,232
Deposits	**200**	200
Total current assets	**554,043**	884,830
LAND, BUILDING AND EQUIPMENT, at cost, net of accumulated depreciation	**142,373**	160,365
Total assets	$ **696,416**	$ 1,045,195
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ **19,468**	$ 37,115
Deferred income	**27,652**	62,825
Total current liabilities	**47,120**	99,940
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	**649,296**	945,255
Total net assets	**649,296**	945,255
Total liabilities and net assets	$ **696,416**	$ 1,045,195

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACCESS TELEVISION FOR MALDEN, INC.
D/B/A URBAN MEDIA ARTS

Statements of Activities
Years ended June 30, 2023 and 2022

	Without Donor Restrictions	
	2023	2022
SUPPORT AND REVENUE		
Support from cable providers under licensing agreements with City of Malden		
Operating	**$ 576,011**	$ 695,264
Capital	**47,773**	39,699
Contributions and grants	**63,941**	49,045
Memberships	**3,185**	1,340
Interest	**2,975**	547
Workshops and other	**1,625**	3,067
Total support and revenue	**695,510**	788,962
EXPENSES		
Programming and production	**365,404**	312,276
Community outreach and training	**235,549**	219,618
Support services	**204,775**	229,334
Development	**21,322**	12,006
Total expenses	**827,050**	773,234
CHANGE IN NET ASSETS	**(131,540)**	15,728
NET ASSETS, beginning of year, as previously reported	**945,255**	929,527
Prior period adjustment	**(164,419)**	-
NET ASSETS, beginning of year, as restated	**780,836**	929,527
NET ASSETS, end of year	**$ 649,296**	$ 945,255

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACCESS TELEVISION FOR MALDEN, INC.
D/B/A URBAN MEDIA ARTS

Statement of Functional Expenses
Year ended June 30, 2023

	Programming and Production	Community Outreach and Training	Support Services	Development	Total
Salaries	$ 185,464	$ 149,036	$ 111,619	$ 16,525	$ 462,644
Health insurance/other benefits	20,212	16,242	12,165	1,801	50,420
Special projects/grant expenses	49,103	-	-	-	49,103
Payroll taxes	15,045	12,090	9,055	1,340	37,530
Temporary help/contract labor	12,544	17,838	6,795	-	37,177
Equipment/computer maintenance	31,948	1,775	1,775	-	35,498
Depreciation	29,658	2,572	2,572		34,802
Utilities	5,413	5,414	5,414	-	16,241
Building maintenance	5,336	5,336	5,337	-	16,009
Professional fees	-	-	15,160	-	15,160
Office expenses	2,626	3,283	6,566	657	13,132
Insurance	-	-	11,328	-	11,328
Telephone	408	3,671	4,080	-	8,159
Condominium fees	2,549	2,550	2,550	-	7,649
Marketing	-	7,257	-	-	7,257
Staff training and development	-	6,235	-	-	6,235
Non-capital equipment	4,442	-	-	-	4,442
Bank charges/payroll processing	-	-	4,117	-	4,117
Security	-	-	2,276	-	2,276
Annual meeting	-	2,250	-	-	2,250
Board strategic planning	-	-	1,770	-	1,770
Dues and subscriptions	-	-	1,400	-	1,400
Other	-	-	-	999	999
Programming supplies/scheduling	656	-	-	-	656
Postage and delivery	-	-	438	-	438
Travel/parking	-	-	208	-	208
Franchise renewal	-	-	150	-	150
Total expenses	$ 365,404	$ 235,549	$ 204,775	$ 21,322	$ 827,050

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACCESS TELEVISION FOR MALDEN, INC.
D/B/A URBAN MEDIA ARTS

Statement of Functional Expenses
Year ended June 30, 2022

	Programming and Production	Community Outreach and Training	Support Services	Development	Total
Salaries	$ 170,592	$ 154,814	$ 110,739	$ 8,186	$ 444,331
Depreciation	25,832	7,900	7,900	-	41,632
Health insurance/other benefits	14,768	13,402	9,587	708	38,465
Payroll taxes	13,786	12,511	8,950	662	35,909
Equipment/computer maintenance	29,748	1,653	1,653	-	33,054
Board strategic planning	-	-	28,381	-	28,381
Temporary help/contract labor	12,849	3,755	5,695	-	22,299
Special projects/grant expenses	21,022	-	-	-	21,022
Utilities	5,730	5,729	5,729	-	17,188
Insurance	-	-	12,696	-	12,696
Professional Fees	-	-	11,014	-	11,014
Telephone	502	4,523	5,024	-	10,049
Office expenses	1,925	2,407	4,812	482	9,626
Non-capital equipment	9,400	-	-	-	9,400
Condominium fees/occupancy costs	2,521	2,522	2,522	-	7,565
Building maintenance	2,199	2,198	2,198	-	6,595
Marketing	-	5,330	-	-	5,330
Franchise renewal	-	-	3,963	-	3,963
Bank charges/payroll processing	-	-	3,705	-	3,705
Security	-	-	2,682	-	2,682
Staff training and development	-	2,630	-	-	2,630
Other	-	-	-	1,968	1,968
Programming supplies/scheduling	1,402	-	-	-	1,402
Dues and subscriptions	-	-	1,170	-	1,170
Travel/parking	-	-	505	-	505
Postage and delivery	-	-	409	-	409
Annual meeting	-	244	-	-	244
Total expenses	$ 312,276	$ 219,618	$ 229,334	$ 12,006	$ 773,234

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACCESS TELEVISION FOR MALDEN, INC.
D/B/A URBAN MEDIA ARTS

Statements of Cash Flows
Years ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ (131,540)**	$ 15,728
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	**34,802**	41,632
(Increase) decrease in asset accounts		
Accounts receivable	**176,014**	(168,922)
Prepaid expenses	**(2,253)**	3,297
Increase (decrease) in liability accounts		
Accounts payable and accrued expenses	**(17,647)**	5,538
Deferred income	**(35,173)**	59,325
Net cash provided by (used in) operating activities	**24,203**	(43,402)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(16,810)**	(28,981)
Net cash provided by (used in) investing activities	**(16,810)**	(28,981)
Net increase (decrease) in cash and cash equivalents	**7,393**	(72,383)
Cash and cash equivalents, beginning of year	**326,850**	399,233
Cash and cash equivalents, end of year	**$ 334,243**	$ 326,850
SUPPLEMENTARY DISCLOSURES		
Cash paid during the year for		
Interest	**$ -**	$ -
Taxes	**$ -**	$ -

The accompanying notes are an integral part of these financial statements.

1 – NATURE OF ORGANIZATION

Community Access Television for Malden, Inc. (the "Organization"), doing business as Urban Media Arts ("UMA"), provides community television programming, training, and the use of access facilities and equipment to Malden, Massachusetts residents, businesses and organizations.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Organization have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Change in Accounting Principle
In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842) ("ASC 842"). The objective of ASU 842, along with several ASU's issued subsequently, is to increase transparency and comparability between organizations that enter into lease agreements. For lessees, the most significant change from the previous guidance (Topic 840) ("ASC 840") is the requirement to recognize the right-of-use ("ROU") assets and lease liabilities on the Statement of Financial Position for leases classified as operating leases with a term of greater than 12 months. The standard also requires disclosures to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the standard effective July 1, 2022. The adoption of ASC 842 did not have a material effect on the Organization's financial statements.

Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements
The Organization applies the provisions of GAAP for fair value measurements of financial assets and financial liabilities, and for fair value measurements of non-financial items that are recognized and disclosed at fair value in the financial statements on a recurring basis. These provisions define fair value as the price that would be received in selling an asset or paid in transferring a liability in an orderly transaction between market participants at the measurement date. The provisions also establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The provisions had no effect on the financial statements as of and for the years ended June 30, 2023 and 2022.

Cash and Cash Equivalents
For the purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments available for current use, including certificates of deposit, to be cash equivalents.

2 – 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 provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization considers all accounts receivable at June 30, 2023 and 2022 to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Land, Building and Equipment

The Organization capitalizes expenditures for land, building and equipment while expenditures for repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 33 years.

Net Assets

Net assets, revenue, support, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Consist of net assets available for use in general operations that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Consist of net assets that are 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 the expending of the net assets for particular purposes as specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the principal is to be maintained in perpetuity (donor-restricted endowment) and only the income from such net assets may be expended as specified by the donor or in accordance with the applicable Massachusetts law. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. The Organization had no net assets with donor restrictions as of June 30, 2023 and 2022.

Revenue Recognition

Operating support is recognized as earned, based on the Organization's license agreements. Revenue from capital grants is recognized when land, buildings or equipment are placed in service.

Contributions

Contributions are recognized at the earlier of when received or when a donor declares an unconditional intent to contribute cash or other assets to the Organization. Conditional promises to give, that is, those with a measurable performance or other barriers and a right of return, are not recognized as revenue until the conditions on which they depend have been substantially met.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services
The Organization receives donated services from a variety of volunteers assisting in the operation and administration of its community access programming. No amounts have been recognized in the accompanying Statements of Activities because the criteria for recognition of donated services under GAAP have not been met.

Functional Allocation of Expenses
The costs of programs and supporting services activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, benefits, occupancy, various other program and administrative costs, and depreciation. These expenses have been allocated on the basis of estimated time and effort, square footage as well as other reasonable allocation methods.

Tax Status
The Organization is qualified under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal and state income taxes.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2020.

Subsequent Events
The Organization evaluated events that occurred after June 30, 2023 the date of the Statement of Financial Position, but before September 21, 2023 the date the financial statements were available to be issued, for potential recognition or disclosure in the financial statements. The Organization did not identify any subsequent events that had a material effect on the accompanying financial statements.

Reclassifications
Certain amounts in the prior year column have been reclassified from the prior year audited financial statements to conform to the current year presentation. The reclassifications had no effect on the change in Net Assets.

3 - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of its programs as well as the conduct of services undertaken to support those activities to be general expenditures.

3 - LIQUIDITY AND AVAILABILITY (continued)

At June 30, 2023, financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date consist of the following:

Cash and cash equivalents	**$334,243**
Accounts receivable	**49,702**
Total financial assets available within one year	**$383,945**

4 – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consisted of the following at June 30:

Asset Cost	**2023**	2022
Land	**$ 20,600**	$ 20,600
Building	**380,720**	380,720
Building improvements	**363,403**	358,834
Equipment	**141,547**	217,669
Furniture	**7,523**	7,523
Website	**7,500**	7,500
Total	**$921,293**	$992,846

Accumulated Depreciation	**2023**	2022
Building	**$380,720**	$380,720
Building improvements	**288,289**	283,795
Equipment	**97,224**	158,500
Furniture	**6,437**	5,716
Website	**6,250**	3,750
Total	**$778,920**	$832,481

Depreciation expense totaled $34,802 and $41,632 in 2023 and 2022, respectively.

The Organization owns certain equipment that is located in Malden City Hall and the Malden Senior Center.

5 – SUPPORT FROM CITY OF MALDEN

The Organization acts as the City of Malden's designated access corporation in relation to the City of Malden's cable license agreements with its cable providers. Accordingly, the Organization receives its principal support from the City of Malden in the form of a grant. The City of Malden has cable television license agreements with Comcast Cable Communications Management, LLC ("Comcast") and Verizon New England, Inc. ("Verizon"), that are scheduled to provide capital and operating support for the Organization as the City of Malden's designated access corporation. The City's license agreement with Comcast expires on December 31, 2032 and with Verizon on March 5, 2028 although both contracts allow for earlier termination.

Operating support from the City of Malden totaled $576,011 and $695,264 for the years ended June 30, 2023 and 2022, respectively. Capital support from the City of Malden totaled $47,773 and $39,699 for the years ended June 30, 2023 and 2022, respectively.

5 – SUPPORT FROM CITY OF MALDEN (continued)

Accounts receivable from the City of Malden totaled $208,186 and $541,374 at June 30, 2023 and 2022, respectively.

6 – COMMITMENTS, CONTINGENCY AND CONCENTRATION OF RISK

Concentration of Credit Risk
The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk relative to cash and cash equivalents.

Employment Contract
In April 2022, the Organization entered into an employment agreement with its Executive Director, which expires in April 2025. The contract established a compensation level of $83,000 per year, plus fringe benefits available to other employees of the Organization.

7 – PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2023, it was determined that the Organization had overstated its revenue from the City of Malden in prior years. The net effect of the overstatement has been reflected as a $164,419 decrease in net assets without donor restrictions as of July 1, 2022.