Friends of mvyradio, Inc.

(a nonprofit Massachusetts corporation)

Financial Statements

December 31, 2025 and 2024

Friends of mvyradio, Inc.

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BROCK CPAs

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Independent Accountant's Review Report

To the Board of Directors
Friends of mvyradio, Inc.
West Tisbury, Massachusetts

We have reviewed the accompanying financial statements of Friends of mvyradio, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Friends of mvyradio, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Independent Accountant's Review Report (continued)

Report on 2024 Financial Statements

The December 31, 2024 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated May 21, 2025. We have not performed any auditing procedures since that date.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Boulder, Colorado
June 8, 2026

Friends of mvyradio, Inc.

Statements of Financial Position

December 31	2025 Reviewed	2024 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,656,961	$ 533,229
Investments, at fair value	-	320,387
Accounts receivable	60,628	60,703
Contributions receivable	61,450	211,638
Contributions receivable, related parties	32,000	7,500
Prepaid expenses	20,264	18,423
Total current assets	1,831,303	1,151,880
Property and Equipment, net	3,717,208	3,835,629
Other Assets		
Right-of-use operating lease assets	485,470	512,806
Broadcast license	225,000	225,000
Total other assets	710,470	737,806
Total assets	$ 6,258,981	$ 5,725,315
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 31,123	$ 31,428
Accrued compensation and benefits	90,520	62,481
Deferred revenue	819	260
Current maturities of operating lease obligations	24,961	23,443
Total current liabilities	147,423	117,612
Long-Term Liabilities		
Operating lease obligations, net of current maturities	480,543	505,370
Total liabilities	627,966	622,982
Net Assets		
Without donor restrictions		
Undesignated	4,857,942	4,854,213
Board-designated	650,000	-
Total without donor restrictions	5,507,942	4,854,213
With donor restrictions	123,073	248,120
Total net assets	5,631,015	5,102,333
Total liabilities and net assets	$ 6,258,981	$ 5,725,315

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1-2 should be read with these financial statements

Friends of mvyradio, Inc.

Statement of Activities

Year ended December 31, 2025 (reviewed)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Support			
Contributions and memberships			
General support	$ 1,060,228	$ 107,796	$ 1,168,024
Bridge the Gap campaign	850,000	-	850,000
Grants	396,157	10,932	407,089
Special event revenue	19,260	-	19,260
Special event expenses	(30,402)	-	(30,402)
Net assets released from restrictions	243,775	(243,775)	-
Total operating support	2,539,018	(125,047)	2,413,971
Revenue			
Underwriting fees	599,978	-	599,978
Concerts and public events	91,252	-	91,252
Other program revenue	17,399	-	17,399
Total operating revenue	708,629	-	708,629
Total operating support and revenue	3,247,647	(125,047)	3,122,600
Operating Expenses			
Program services			
Broadcasting and engineering	250,056	-	250,056
Programming	1,203,591	-	1,203,591
Supporting services			
General and administrative	322,732	-	322,732
Fundraising			
Underwriting and grant solicitation	363,252	-	363,252
Membership	149,676	-	149,676
Other fundraising	321,172	-	321,172
Total operating expenses	2,610,479	-	2,610,479
Total operating support and revenue in excess (deficit) of operating expenses	637,168	(125,047)	512,121
Other Changes			
Investment income, net	16,561	-	16,561
Change in Net Assets	653,729	(125,047)	528,682
Net Assets, Beginning of Year	4,854,213	248,120	5,102,333
Net Assets, End of Year	$ 5,507,942	$ 123,073	$ 5,631,015

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1-2 should be read with these financial statements

Friends of mvyradio, Inc.

Statement of Activities

Year ended December 31, 2024 (audited)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Support			
Contributions and memberships	$ 926,651	$ 219,138	$ 1,145,789
Grants	692,658	14,976	707,634
Special event revenue	14,560	-	14,560
Special event expenses	(23,384)	-	(23,384)
Net assets released from restrictions	173,484	(173,484)	-
Total operating support	1,783,969	60,630	1,844,599
Revenue			
Underwriting fees	522,046	-	522,046
Concerts and public events	52,480	-	52,480
Other program revenue	9,526	-	9,526
Total operating revenue	584,052	-	584,052
Total operating support and revenue	2,368,021	60,630	2,428,651
Operating Expenses			
Program services			
Broadcasting and engineering	232,610	-	232,610
Programming	1,096,645	-	1,096,645
Supporting services			
General and administrative	297,472	-	297,472
Fundraising			
Underwriting and grant solicitation	286,052	-	286,052
Membership	131,230	-	131,230
Other fundraising	229,959	-	229,959
Total operating expenses	2,273,968	-	2,273,968
Total operating support and revenue in excess of operating expenses	94,053	60,630	154,683
Other Changes			
Investment income, net	13,566	-	13,566
Change in Net Assets	107,619	60,630	168,249
Net Assets, Beginning of Year	4,746,594	187,490	4,934,084
Net Assets, End of Year	$ 4,854,213	$ 248,120	$ 5,102,333

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Friends of mvyradio, Inc.

Statement of Functional Expenses

Year ended December 31, 2025 (reviewed)

	Program Services			Supporting Services					
					Fundraising				
	Broadcasting and Engineering	Programming	Total	General and Administrative	Underwriting and Grant Solicitation	Membership	Other	Total	Total
Salaries and wages	$ -	$ 624,988	$ 624,988	$ 134,318	$ 194,166	$ 57,045	$ 133,780	$ 384,991	$1,144,297
Employee benefits	-	113,152	113,152	28,517	32,370	9,920	16,229	58,519	200,188
Payroll taxes	-	56,317	56,317	12,030	12,415	5,230	12,224	29,869	98,216
Total personnel costs	-	794,457	794,457	174,865	238,951	72,195	162,233	473,379	1,442,701
Marketing and membership	-	190,333	190,333	268	-	35,070	909	35,979	226,580
Depreciation	36,474	97,574	134,048	40,682	-	-	400	400	175,130
Event expenses	-	-	-	-	-	-	142,458	142,458	142,458
Legal and professional	34,656	548	35,204	76,148	8,399	-	-	8,399	119,751
Uncollectible contributions expense	-	-	-	-	101,977	-	-	101,977	101,977
Occupancy	71,932	212	72,144	-	-	-	-	-	72,144
Radio equipment rental	53,692	-	53,692	-	-	-	-	-	53,692
Telephone and communications	40,879	3,426	44,305	549	5,291	-	486	5,777	50,631
Dues and subscriptions	1,332	39,161	40,493	497	3,069	-	995	4,064	45,054
Repairs and maintenance	3,087	22,954	26,041	10,485	-	-	-	-	36,526
Travel and entertainment	-	27,832	27,832	44	577	-	7,487	8,064	35,940
Insurance	3,087	14,242	17,329	16,781	-	-	-	-	34,110
Bank and credit card fees	-	23	23	104	1,462	29,162	3,309	33,933	34,060
Software	1,862	8,408	10,270	644	2,568	11,866	-	14,434	25,348
Office expenses	2,955	3,909	6,864	214	958	1,383	2,895	5,236	12,314
Miscellaneous expenses	100	512	612	1,451	-	-	-	-	2,063
Total operating expenses	$ 250,056	$1,203,591	$1,453,647	$ 322,732	$ 363,252	$ 149,676	$ 321,172	$ 834,100	$2,610,479

Friends of mvyradio, Inc.

Statement of Functional Expenses

Year ended December 31, 2024 (audited)

	Program Services			Supporting Services					
					Fundraising				
	Broadcasting and Engineering	Programming	Total	General and Administrative	Underwriting and Grant Solicitation	Membership	Other	Total	Total
Salaries and wages	$ -	$ 614,440	$ 614,440	$ 120,728	$ 205,604	$ 47,265	$ 116,367	$ 369,236	$1,104,404
Employee benefits	-	94,751	94,751	23,203	23,558	11,759	14,294	49,611	167,565
Payroll taxes	-	56,657	56,657	10,954	14,321	4,027	10,691	29,039	96,650
Total personnel costs	-	765,848	765,848	154,885	243,483	63,051	141,352	447,886	1,368,619
Depreciation	32,432	93,660	126,092	40,687	-	-	400	400	167,179
Marketing and membership	-	98,386	98,386	-	71	30,414	1,302	31,787	130,173
Legal and professional	32,500	3,770	36,270	70,244	20,605	-	-	20,605	127,119
Event expenses	-	3,557	3,557	-	-	-	80,200	80,200	83,757
Occupancy	69,768	1,600	71,368	-	-	-	-	-	71,368
Radio equipment rental	54,734	-	54,734	-	-	-	-	-	54,734
Dues and subscriptions	1,407	37,265	38,672	489	3,559	-	1,368	4,927	44,088
Travel and entertainment	187	38,386	38,573	-	1,642	-	1,490	3,132	41,705
Telephone and communications	29,763	3,527	33,290	1,432	3,804	-	504	4,308	39,030
Repairs and maintenance	3,228	22,605	25,833	10,221	-	-	-	-	36,054
Insurance	3,087	14,540	17,627	15,962	-	-	-	-	33,589
Bank and credit card fees	6	20	26	295	2,949	25,506	42	28,497	28,818
Software	2,478	7,209	9,687	622	2,477	11,301	-	13,778	24,087
Office expenses	2,840	5,398	8,238	502	1,502	958	3,246	5,706	14,446
Miscellaneous expenses	180	250	430	1,113	5,960	-	55	6,015	7,558
Interest expense	-	624	624	1,020	-	-	-	-	1,644
Total operating expenses	$ 232,610	$1,096,645	$1,329,255	$ 297,472	$ 286,052	$ 131,230	$ 229,959	$ 647,241	$2,273,968

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1-2 should be read with these financial statements

Friends of mvyradio, Inc.

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	**2025**	2024
	Reviewed	Audited
Cash Flows From Operating Activities		
Change in net assets	**$ 528,682**	$ 168,249
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**175,130**	167,179
Amortization of right-of-use operating lease asset	**27,336**	32,672
Net realized and unrealized gains on investments	**(8,419)**	(927)
Provisions for contributions receivable allowances	**101,977**	-
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	**75**	(241)
Contributions receivable	**23,711**	(107,017)
Prepaid expenses	**(1,841)**	492
Accounts payable	**(305)**	4,307
Accrued compensation and benefits	**28,039**	23,590
Deferred revenue	**559**	(1,850)
Operating lease obligations	**(23,309)**	(27,844)
Net cash provided by operating activities	**851,635**	258,610
Cash Flows From Investing Activities		
Net sales (purchases) of investments	**328,806**	(11,460)
Purchases of property and equipment	**(56,709)**	(69,473)
Net cash provided (used) by investing activities	**272,097**	(80,933)
Cash Flows From Financing Activities		
Payments on construction line of credit	**-**	(393,842)
Net cash used by financing activities	**-**	(393,842)
Net Increase (Decrease) in Cash and Cash Equivalents	**1,123,732**	(216,165)
Cash and Cash Equivalents, Beginning of Year	**533,229**	749,394
Cash and Cash Equivalents, End of Year	**$ 1,656,961**	$ 533,229
Supplemental Cash Flow Information		
Cash paid for interest	**$ -**	$ 1,644

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1-2 should be read with these financial statements

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Friends of mvyradio, Inc. (the Organization) is a Massachusetts non-profit corporation established in August 2013 to operate an internet streaming music service and FM radio stations on the island of Martha's Vineyard and Edgartown, Massachusetts. The Organization aspires to reflect Martha's Vineyard and the region in music, news, culture, and community. It embraces its local, regional and worldwide roots through its independent format, and uses contemporary media and community engagement to enrich the lives of its audience. Funding for the Organization is primarily obtained through charitable contributions, memberships and grants from interested parties, and underwriting fees.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents. Cash consists of a checking and savings accounts held at financial institutions. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Investments (continued). Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies used for assets measured at fair value on a recurring basis are as follows:

Certificates of Deposit. The Organization values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements (continued).

Debt Securities. The Organization values debt securities with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The methods previously described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used as of December 31, 2025 and 2024.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Accounts Receivable and Allowance for Credit Losses. Accounts receivable are stated at the amount of consideration from customers, of which the Organization has an unconditional right to receive. The Organization operates a radio station and its accounts receivable are primarily derived from underwriting fees. The Organization grants credit in the normal course of business to customers and recognizes an expected allowance for credit losses to reduce credit risk. At each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's customers have remained fairly constant for many years. Management believes all accounts receivables are fully collectible, and accordingly, no allowance for credit losses has been recorded.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in revenue. The total amount of write-offs was immaterial to the financial statements as a whole for the years ending December 31, 2025 and 2024.

Information pertaining to the year ended December 31, 2025 is reviewed.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Contributions Receivable. Unconditional promises to give are recognized as revenue in the period received. Contributions receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible contributions. The allowance for uncollectible contributions is estimated based on management's review of specific contributions outstanding. As of December 31, 2025 and 2024, management believes all contributions receivable are fully collectible, and accordingly, no allowance for doubtful contributions has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment. It is the Organization's policy to capitalize property and equipment at cost for purchases over $1,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value on the date of gift. Such donations are reported as contributions without donor restriction unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which is generally forty years for buildings, four to ten years for radio and broadcast equipment, two to seven years for computer equipment, seven to ten years for furniture and fixtures, three years for vehicles and the remaining lease term for leasehold improvements.

Leases and Right-of-Use Assets. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The Organization made a policy election not to separate lease and nonlease components for all leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable, or otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases to discount certain lease asset class obligations. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The Organization has also elected to exclude leases with terms of 12 months or less from right-of-use asset and operating lease obligation recognition.

Intangible Asset. The indefinite-lived intangible asset consists of broadcast licenses. The broadcast licenses are not amortized, but are tested for impairment annually, or more frequently if circumstances indicate potential impairment, through a comparison of fair value to its carrying amount. The Organization utilizes an outside valuation firm to assist in determining fair value. The valuation of the broadcast licenses is an estimate that involves judgements about the validity of comparable sales. It is at least reasonably possible that such valuations will change in the near term and the change could be material. The broadcast licenses must be renewed periodically at minimal cost. Significant future cash flows associated with the broadcast licenses are affected by the Organization's ability or intent to renew the licenses. The costs incurred to renew the broadcast licenses will be expensed as incurred. The broadcast licenses are subject to renewal in April 2030.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2025 and 2024.

Revenue Recognition. The Organization earns revenue from contracts with customers through providing underwriting services, which primarily includes the marketing of corporate sponsors on air and on the Organization's website. The Organization's customers are primarily local businesses. The Organization's contracts typically include a single performance obligation to perform agreed upon services, which generally occur within a single fiscal year.

Underwriting fee revenue is recognized over time as the Organization's customers simultaneously receive and consume the benefits of the Organization's performance. The Organization typically provides underwriting services under fixed fee arrangements which are billed in advance of the service. Amounts that have been invoiced are recorded in either deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. The Organization generally does not experience changes in the transaction price subsequent to the inception of its contracts.

Underwriting fee revenue recognized under contracts with customers for the years ended December 31, 2025 and 2024, was $599,978 and $522,046, respectively. The Organization had accounts receivable representing net billed amounts due on contracts with customers of $60,628, $60,703, and $60,462 as of December 31, 2025 and 2024, and January 1, 2024, respectively. The Organization did not have any contract assets associated with underwriting fees as of December 31, 2025 and 2024, or as of January 1, 2024. The Organization typically collects fees in advance of services being provided, which are recorded as deferred revenue (contract liabilities) on the statements of financial position, and recorded as services are provided. Contract liabilities as of December 31, 2025 and 2024, and January 1, 2024 totaled $819, $260 and $2,110, respectively. Contract liabilities are generally recognized as revenue during the following year.

Revenue from event ticket sales is recognized when the related event takes place, which satisfies the Organization's performance obligation. Any amounts received prior to the event is recorded as a contract liability. The Organization did not have any accounts receivable, contract assets, or contract liabilities associated with revenue from event ticket sales as of December 31, 2025 and 2024, or as of January 1, 2024.

Contributions, Memberships, and Grants. Unconditional contributions, memberships, and grants are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Contributions, Memberships, and Grants (continued). Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service. Donor restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Conditional grants and contributions are recognized when the conditions on which they depend are substantially met. Funding received in advance of fulfilling the conditions and refundable to the donor are reported as refundable advances in the statements of financial position.

Contributed Services and Materials. Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed materials are reported at fair market value on the date of gift.

Barter Transactions. The Organization barters sponsorship broadcasts for materials and services. Revenue from such transactions is recorded at the estimated fair market value of the material or service received. Revenue is recognized as the sponsorships are broadcast, and expenses are recognized when incurred. When materials or services are received prior to the sponsorship broadcast, the Organization records deferred revenue. When sponsorships are broadcast in advance of receiving the materials or services, the Organization records a receivable. Barter transactions totaled $237,457 in 2025 and $145,530 in 2024.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through June 8, 2026, the date at which the financial statements were available for release.

Note 2 – Liquidity and Availability

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	**$ 1,656,961**	$ 533,229
Investments, at fair value	**-**	320,387
Accounts receivable	**60,628**	60,703
Contributions receivable	**93,450**	219,138
	$ 1,811,039	$ 1,133,457

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the years ended December 31, 2025 and 2024, the level of liquidity and reserves was managed within the guiding principles.

Additionally, the Organization has a committed line of credit with $250,000 available at December 31, 2025, which is available if needed.

Note 3 – Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Organization's investments, at fair value, as of December 31, 2024:

	Amount
Certificates of deposit (level 2)	$ 212,000
Debt securities	
U.S. government bonds (level 1)	108,387
	$ 320,387

The Organization did not carry investments at fair value as of December 31, 2025.

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Information pertaining to the year ended December 31, 2025 is reviewed.

Note 3 – Fair Value Measurements (continued)

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. There were no significant transfers in or out of fair value levels during the years ended December 31, 2025 and 2024.

Investment income consisted of the following for the years ended December 31:

	2025	2024
Interest and dividends	**$ 8,142**	$ 12,639
Net unrealized gain on investments	**648**	898
Net realized gain on investments	**7,771**	29
Net investment income	**$ 16,561**	$ 13,566

Note 4 – Contributions Receivable and Related Party Transactions

Contributions receivable were $93,450 and $219,138 as of December 31, 2025 and 2024, respectively. Amounts outstanding at December 31, 2024 were collected during the year ended December 31, 2025, and management estimates the outstanding amount at December 31, 2025 will be collected during the year ending December 31, 2026.

Certain members of the board of directors have promised to give to the Organization. Amounts due from the related parties at December 31, 2025 and 2024 totaled $32,000 and $7,500, respectively.

Note 5 – Property and Equipment

Property and equipment consist of the following at December 31:

	2025	2024
Land and building	**$ 4,047,792**	$ 4,041,817
Radio and broadcast equipment	**384,639**	368,923
Computer equipment	**60,940**	59,441
Furniture and fixtures	**68,856**	63,832
Vehicle	**22,765**	-
Leasehold improvements	**16,141**	16,141
Construction in progress	**33,541**	27,811
	4,634,674	4,577,965
Less accumulated amortization	**(917,466)**	(742,336)
Net property and equipment	**$ 3,717,208**	$ 3,835,629

Depreciation expense for the years ended December 31, 2025 and 2024 was $175,130 and $167,179, respectively. Amortization of leasehold improvement is included in depreciation expense.

Information pertaining to the year ended December 31, 2025 is reviewed.

Note 6 – Leases

The Organization leases a radio tower under a noncancelable operating lease. The lease expires in April 2039 as optional extension terms are expected to be exercised. The lease also includes rent escalation terms of 3% annually. The operating lease obligations and related right-of-use asset as of December 31, 2025 totaled $288,044 and $268,010, respectively. The operating lease obligations and related right-of-use asset as of December 31, 2024 totaled $299,245 and $283,238, respectively.

The Organization leases facilities in Vineyard Haven, Massachusetts under a noncancelable operating lease. The lease requires monthly payments of $1,750 and expires in April 2039 as optional extension terms are expected to be exercised. The operating lease obligations and related right-of-use asset as of December 31, 2025 and 2024 totaled $217,460 and $229,568, respectively.

Operating lease costs consist of the following for the years ended December 31:

	2025	2024
Amortization of right-of-use assets	**$ 27,336**	$ 32,672
Interest on lease liability	**20,584**	21,566
	$ 47,920	$ 54,238

The Organization leases equipment under a short term operating lease. Rent expense totaled $25,200 for each of the years ended December 31, 2025 and 2024.

Cash paid for amounts included in the measurement of operating lease liabilities totaled $43,894 and $49,410 for the years ended December 31, 2025 and 2024, respectively.

The weighted average remaining lease term for the operating leases was 13.33 years and 14.33 years at December 31, 2025 and 2024, respectively. The weighted average discount rate for the operating leases was 4.00% at December 31, 2025 and 2024.

Scheduled maturities of operating lease liabilities are as follows at December 31, 2025:

Year	Facilities	Equipment	Total
2026	$ 21,000	$ 23,581	$ 44,581
2027	21,000	24,288	45,288
2028	21,000	25,016	46,016
2029	21,000	25,767	46,767
2030	21,000	26,540	47,540
Thereafter	175,000	251,550	426,550
	280,000	376,742	656,742
Less imputed interest	(62,540)	(88,698)	(151,238)
	$ 217,460	$ 288,044	$ 505,504

Information pertaining to the year ended December 31, 2025 is reviewed.

Note 7 – Line of Credit

The Organization has a $250,000 revolving line of credit agreement with The Cape Cod Five Cents Savings Bank with no outstanding borrowings at December 31, 2025 and 2024. The agreement bears interest at 1% over the Wall Street Journal Prime Rate with a floor rate of 4%. The agreement does not mature and is due on demand by the lender. The agreement is collateralized by generally all business assets.

Note 8 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years December 31, 2025 and 2024:

	Purpose Restrictions		Time	
	Broadcasting	Other	Restrictions	Total
Balance, January 1, 2024	$ 72,702	$ 2,667	$ 112,121	$ 187,490
Additions	14,976	-	219,138	234,114
Releases	(58,696)	(2,667)	(112,121)	(173,484)
Balance, December 31, 2024	28,982	-	219,138	248,120
Additions	**10,932**	**-**	**107,796**	**118,728**
Releases	**(28,982)**	**-**	**(214,793)**	**(243,775)**
Balance, December 31, 2025	**$ 10,932**	**$ -**	**$ 112,141**	**$ 123,073**

Note 9 – Board-designated Net Assets

Board-designated net assets are unrestricted net assets subject to self imposed limits by action of the governing body. As of December 31, 2025, the Board of Directors designated $650,000 of net assets without donor restrictions raised through the Bridge The Gap campaign to support future operations. There were no board-designated net assets as of December 31, 2024.

Note 10 – Special Events

The Organization derived a net loss from private concert special fundraising event during the years ended December 31:

	2025	2024
Ticket sales	**$ 19,260**	$ 14,560
Direct costs	**(30,402)**	(23,384)
Net loss	**$ (11,142)**	$ (8,824)

Information pertaining to the year ended December 31, 2025 is reviewed.

Note 11 – Retirement Plan

The Organization maintains a 403(b) plan covering all employee who normally work at least 20 hours per week, are at least 21 years old, and have completed at least six months of service. The Organization provides a fully vested discretionary contribution to the plan. The Organization contributed $38,856 and $38,336 to the plan for the years ended December 31, 2025 and 2024, respectively.

Note 12 – Related Party Transactions

The Organization contracts with an entity that is subject to significant influence by a member of the board or directors for professional services. The Organization recognized expenses with the related party of $47,100 in 2025 and $45,919 in 2024.

Note 13– Concentrations

Bank Deposits. The Organization routinely maintained cash balances in excess of federally insured limits during the years ended December 31, 2025 and 2024.

Geographical Concentration. The Organization receives a substantial amount of their support from Martha's Vineyard, Massachusetts and the surrounding areas.