

**ORION COMMUNITY CABLE
COMMUNICATIONS COMMISSION
OAKLAND COUNTY, MICHIGAN
FINANCIAL REPORT
DECEMBER 31, 2024**

ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Orion
Community Cable Communications Commission
Oakland County, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Orion Community Cable Communications Commission (the "Commission" or "OCCCC"), Oakland County, Michigan, as of and for the year ended December 31, 2024, and the related Notes to the Financial Statements, which collectively comprise the Commission's basic financial statements, as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Commission, Oakland County, Michigan, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Commission, 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 opinions.

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; 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 Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

MEMBER

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MICHIGAN ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

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 opinions. 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 Commission'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 Commission'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sincerely,



Michael H. DeVries
Certified Public Accountant

Oxford, Michigan
November 25, 2025

Table 2
Changes in Net Position

	2024	2023	Increase/ (Decrease)
Revenue			
Franchise fees	\$ 466,801	\$ 529,243	\$ (62,442)
PEG fees	120,248	137,133	(16,885)
Gain on sale of fixed assets	0	0	0
Interest income	140,259	69,606	70,653
Total Revenue	727,308	735,982	(8,674)
Expenses	560,873	533,062	27,811
Change in Net Position	\$ 166,435	\$ 202,920	\$ (36,485)

Financial Highlights

The Commission's primary source of revenue is from franchise and public, education, and government ("PEG") fees. For 2024, total fees collected were \$587,049. This represents approximately eighty and seven-tenths (80.7%) percent of total revenue.

The largest expenditure of the Commission is for the agreement with Orion Neighborhood Television Corporation ("ONTV"). For 2024, this expenditure was \$423,000, representing approximately seventy-five and four-tenths (75.4%) percent of the Commission's total expenditures.

The Commission's assets exceeded its liabilities at the close of 2024 by \$4,463,225 (net position). The Commission's total net position increased by \$166,435 for 2024.

The total expenditures for the entire year, under the modified accrual basis of accounting, were \$741,755. The Commission reports net position of \$4,463,225 this year on a full accrual basis, as compared to a fund balance of \$3,327,165 on the modified accrual basis of accounting. The Commission's conversion to meet GASB Statement No. 34 standards, which includes capitalization of Commission-owned assets and associated depreciation expense, is reflected in the Statement of Activities on pages 9 and 14 of this financial report.

Overview of Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis; the basic financial statements; and Required Supplementary Information. The basic financial statements include two different kinds of statements that represent different views of the Commission and the Notes to Financial Statements.

The first two statements are entity-wide financial statements and provide both long- and short-term information about the Commission's overall financial status. These statements present governmental activities.

The remaining statements are fund financial statements, which focus on individual parts of the Commission in more detail.

The Notes to Financial Statements explain some of the information in the statements and provide more detailed data.

Required Supplementary Information further explains and supports the financial statement information with budgetary comparisons.

Entity-Wide Financial Statements

The entity-wide statements report information about the Commission as a whole using accounting methods used by private companies. The Statement of Net Position includes all of the Commission's assets and liabilities. The Statement of Activities records all of the current year's revenues and expenses, regardless of when received or paid.

The two entity-wide statements report net position and how it has changed. Net position is the difference between the entity's assets and liabilities and this is one method to measure the entity's financial health or position.

Over time, increases/decreases in the entity's net position are indicators of whether financial position is improving or deteriorating.

To assess the overall health of the entity, you may also have to consider additional factors such as government changes, facility conditions, and personnel changes.

All of the activities of the Commission are reported as governmental activities.

Capital Assets and Long-Term Debt Activity

At the end of 2024, the Commission had \$1,136,061 invested in a broad range of capital assets (net of accumulated depreciation).

The Commission's governmental activities had \$269,577 in capital asset activity.

The Commission's governmental activities had no long-term debt activity.

Budgetary Highlights

Revenues were over the amended budget by \$52,308. The actual expenditures were under the amended budget expenditures by approximately twenty-one (21.0%) percent, or \$197,245, because the total cost of contingency was \$200,000 less than planned.

Economic Factors and Next Year's Budget and Rates

The Commission's net budget for 2025 decreased from 2024. Revenues are anticipated to decrease in franchise fees and to increase in interest income, for a net decrease in total revenue. It is not known what implications will be experienced with AT&T decreasing its cable TV presence in 2025. Expenditures decreased compared to the 2024 budget due to capital improvements and grants in the amount of \$65,000. The Commission's major source of revenue is from cable franchise fees. If the government changes how fees are to be charged, this could affect future revenue.

The Federal Communications Commission ("FCC") is looking at proposed rulemaking changes that could have an adverse material effect on the Commission's revenues and expenditures.

Starting on July 1, 2015, the Commission signed a new contract with Comcast, which increased the PEG percentage from one (1.0%) percent to one and two-tenths (1.2%) percent. This could increase PEG fee revenue by approximately \$28,000 per year.

In July of 2015, AT&T purchased DIRECTV, LLC ("DIRECTV"). Starting in late 2016, AT&T began encouraging AT&T U-Verse subscribers to convert to DIRECTV, which does not have to pay a franchise fee on their revenue. If all U-Verse subscribers were to convert to DIRECTV, the Commission could lose approximately \$242,000 in annual revenue. This conversion is expected to roll into place over a number of years, during which time some AT&T U-Verse subscribers might ignore any AT&T incentives to convert to DIRECTV, choosing instead to return to Comcast.

In 2021, the Commission lost \$22,079 in AT&T revenue. Comcast revenue increased by \$12,214 and interest income decreased by \$18,547, leaving a net revenue decrease of \$28,412.

In 2022, the Commission lost \$16,114 in AT&T revenue. Comcast revenue decreased by \$692 and interest income increased by \$7,819, leaving a net revenue increase of \$8,987. AT&T has not indicated when their cable operation will cease, but even if AT&T revenue were to be lost altogether, it is fully expected that the Commission will be able to maintain normal operations going forward.

In 2023, the Commission lost \$18,305 in AT&T revenue. Comcast revenue decreased by \$24,827, and interest income increased by \$46,020, leaving a net revenue increase of \$2,888. AT&T has not indicated when their cable operation will cease. But even if AT&T revenues were to be lost altogether, it is fully expected that the Commission will be able to maintain normal operations going forward.

In 2024, the Commission lost \$16,624 in AT&T revenue. Comcast revenue decreased by \$62,703, and interest income increased by \$70,653, leaving a net revenue decrease of \$8,674. ATT has not indicated when their cable operation will cease. But even if AT&T revenue were to be lost altogether, it is fully expected that the Commission will be able to maintain normal operations going forward.

Contacting the Commission's Financial Management

This financial report is designed to provide citizens and the Commission's members with a general overview of the Commission's finances and show the Commission's accountability for the money it receives. If you have any questions about this report, or require additional information, you can contact the Commission's office.

ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION
GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2024

ASSETS

Cash in Bank	\$21,949
Certificates of Deposit and Money Market Account	526,234
Investments	2,546,963
Franchise Fees Receivable	142,728
Accrued Interest Receivable	9,289
Equipment Purchases - Deposit	81,314
Prepaid Expenditures	1,221
Capital Assets - Net of Depreciation	<u>1,136,060</u>
Total Assets	<u>4,465,758</u>

LIABILITIES

Accounts Payable	<u>2,533</u>
Total Liabilities	<u>2,533</u>

NET POSITION

Invested in Capital Assets - Net	1,136,060
Restricted for Grant	79,053
Restricted for Capital Expenditures	130,498
Unrestricted	<u>3,117,614</u>
Total Net Position	<u>\$4,463,225</u>

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

ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program Revenues</u>		<u>Net (Expense) Revenue & Changes in Net Position</u>
	<u>Expenses</u>	<u>Franchise Fees</u>	
Activities			
Operating and Maintaining Cable Communications System	\$560,873	\$587,049	\$0
	<u> </u>	<u> </u>	<u> </u>
Total Activities	<u>\$560,873</u>	<u>\$587,049</u>	<u>\$0</u>
General Revenues:			
			0
			140,259
			<u> </u>
		Total General Revenues	<u>140,259</u>
		Changes in Net Position	166,435
			<u> </u>
		Net Position - January 1, 2024	<u>4,296,790</u>
		Net Position - December 31, 2024	<u>\$4,463,225</u>

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

ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2024

	GENERAL FUND
ASSETS	
Cash in Bank	\$21,949
Certificates of Deposit and Money Market Account	526,234
Investments	2,546,963
Franchise Fees Receivable	142,728
Accrued Interest - Receivable	9,289
Equipment Purchases - Deposits	81,314
Prepaid Expenditures	1,221
Total Assets	\$3,329,698
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$2,533
Total Liabilities	2,533
Fund Balance:	
Non-Spendable - Prepaid Expenditures	1,221
Restricted for Grant	79,053
Restricted for Capital Expenditures	130,498
Committed - Subsequent Years' Expenses	800,000
Unassigned	2,316,393
Total Fund Balance	3,327,165
Total Liabilities and Fund Balance	\$3,329,698

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

**ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

TOTAL FUND BALANCE - GOVERNMENTAL FUND (page 13)	\$3,327,165
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Amounts reported for governmental activities
in the Statement of Net Position are different because -

Capital assets used in governmental activities are not
financial resources and therefore are not reported in
the governmental funds balance sheet:

Capital assets at cost	\$2,594,651	
Accumulated depreciation	<u>(1,458,590)</u>	
		<u>1,136,061</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$4,463,226</u></u>
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The accompanying notes are an integral part of the financial statements.

ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

	GENERAL FUND
REVENUES	
Franchise Fees:	
Charter Township of Orion-Comcast	\$ 387,200
Charter Township of Orion-AT&T	45,445
Village of Lake Orion-Comcast	28,257
Village of Lake Orion-AT&T	5,899
PEG Fees:	
Charter Township of Orion-Comcast	92,928
Charter Township of Orion-AT&T	18,178
Village of Lake Orion-Comcast	6,782
Village of Lake Orion-AT&T	2,360
Investment Income	146,249
Bond Premium Write-Off	(5,990)
Total Revenue	727,308
EXPENDITURES	
Education and Training	1,260
Meals and Travel Expense	2,763
Membership Fees	6,286
Cable Connections	2,100
Administrative Fees	358
ONTV Public Access Management Fee	423,000
Grants	0
General Insurance	5,103
Professional Fees	7,350
Capital Expendable Expenses	0
Contracted Liaison Person	13,360
Repairs and Maintenance	410
Shared Building Services	10,188
Capital Expenditures-ONTV	2,641
Capital Expenditures-OCCCC	266,936
Total Expenditures	741,755

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

ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

	<u>GENERAL FUND</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (14,447)
Other Financial Sources (Uses) Gain on Sale of Fixed Assets	0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses (Net Change in Fund Balance)	(14,447)
Fund Balance - Beginning	3,341,612
Fund Balance - Ending (page 29)	\$ 3,327,165

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

ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (\$14,447)

Amounts reported for governmental activities
in the Statement of Activities are different because -

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities these items are
capitalized and the costs of those assets are allocated
over their estimated useful lives as depreciation.

	Capitalized assets	\$269,577	
	Depreciation	<u>(88,695)</u>	
			<u>180,882</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES			<u><u>\$166,435</u></u>

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

soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenue to be available if it is collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Normally, expenditures are not divided between years by the recording of prepaid expenses.

The Commission reports the following major governmental fund:

The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the Commission's general government.

Capital Assets

Capital assets are defined by the Commission as assets with an initial cost of more than \$250 and an estimated useful life in excess of one (1) year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis (no depreciation in year of purchase) over the following estimated useful lives.

Building and Improvements	39 years
Equipment	5-15 years
Office Equipment	5-10 years

Effective January 1, 2020, the Commission purchased all equipment (excluding vehicle) from the Orion Neighborhood Television Corporation ("ONTV") for their net book value at December 31, 2019. The equipment's original cost was \$667,189 and accumulated depreciation was \$543,318, leaving a net price of \$123,871. These assets were being depreciated over the estimated useful lives of three to seven years using a modified accelerated cost recovery system ("MACRS"). This method will be continued until these assets are fully depreciated.

Bank Deposits and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and certificates of deposit.

Franchise Fees Receivable

Franchise fees receivable represent amounts owed to the Commission by Comcast and AT&T in the amount of \$142,728. No allowance for uncollectible accounts is deemed necessary as management believes all accounts are collectible. All receivables are considered fully collectible.

C. Budget and Budgetary Accounting

The following procedures are instituted by the Commission in establishing the budgetary data reflected in the financial statements:

1. Prior to the next fiscal year, the Treasurer submits a proposed budget to the Commission.
2. The Commission makes any recommendations or changes.
3. A public hearing is held

4. After the public hearing, the budget must be approved by a joint resolution of the Orion Township Board and the Lake Orion Village Council. The budget will not be effective until approved by both governmental units.
5. No Commissioner or employee of the Commission may expend any funds of the Commission, except as appropriated by the Commission, in keeping with the budgetary policy as adopted by the Commission. Changes in the amount appropriated by the Commission require approval by the Commission. During the year, the budget was amended in a legally permissible manner.
6. The budget for the General Fund is adopted on a basis consistent with U.S. generally accepted accounting principles ("GAAP").

The budget statement (Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund) is presented in accordance with GAAP, which is the same basis of accounting used in preparing the adopted budget. The budget has been adopted on a total for revenues and expenditures basis; expenditures at this level, in excess of amounts budgeted, are a violation of Michigan law. A comparison of actual results of operations to the budget, as adopted, is included in Required Supplemental Information.

There were no significant expenditure budget variances, as noted in Footnote 7.

D. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimated.

E. PEG Activity

The Commission's cable provider has established three channels for public, education, and government ("PEG") use. The public and governmental channels are administered by the Commission and the educational channel is administered by the Commission and Lake Orion School District. In order to fund the administration of these channels, the Commission receives financial support in the form of PEG fees from its cable provider in the amount of two (2.0%) percent and one (1.0%) percent of gross revenue from AT&T and Comcast, respectively. These funds are used on PEG-related projects. The PEG fees are allocated among the various member communities in the same manner as franchise fees. The member communities remit the AT&T PEG fees they collect to the Commission and the Commission receives the Comcast fees directly. A portion of these PEG fees can be allocated to the parties and Lake Orion School District upon a grant request. Effective July 1, 2015, Comcast PEG was increased to one and two-tenths (1.2%) percent of gross revenue.

(2) CASH AND CASH EQUIVALENTS

Michigan Compiled Laws, Section 129.91 (Public Act ["PA"] 20 of 1943, as amended), authorizes the local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Commission is allowed to invest in bonds, securities, and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government, or federal agency obligation repurchase agreements; bankers' acceptance of United States banks;

commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than two hundred seventy (270) days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Commission believes that due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation ("FDIC") insurance, it is impractical to insure all deposits. As a result, the Commission evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Commission has designated seven financial institutions for the deposit of the Commission's funds. The Commission has adopted an investment policy in accordance with PA 196 of 1997. The Commission has funds invested in bank checking, savings, and money market accounts, certificates of deposit, Michigan municipal bonds, the Oakland County investment pool ("IP"), and the Michigan Cooperative Liquid Asset Securities System ("Michigan Class").

The Commission's deposits and investments are in accordance with statutory authority.

Michigan law (Section 3, Act 40, PA 1932, as amended) prohibits security in the form of collateral, surety bond, or any other form for the deposit of public money.

We estimate that the FDIC insures approximately seventeen and six hundredths (17.06%) percent of the Commission's deposits. We are unable to be specific due to the complexity of FDIC Regulation Number 330.8. This regulation, in summary, provides that deposits of a governmental unit are insured for the lesser of the amount of the combined deposit or \$250,000 in every financial institution that is not a branch location that is a member of the FDIC in the following deposit accounts:

1. All demand, non-interest bearing accounts (checking) in the name of the authorized or statutory custodian (treasurer) of public funds.
2. All savings deposits, which include regular passbook, daily interest savings, and time certificates of deposit in the name of the governmental unit's custodian.
3. The demand and savings accounts, as defined in items 1 and 2 above, for those bank accounts, in the name of a specific fund, when all of the following criteria are applicable:
 - (a) The fund is created by a specific state statute.
 - (b) The functions of the fund are specified by state statute.
 - (c) Money is allocated by state statute for the exclusive use of that fund and statutory function.

General Fund:	Per Institution	Per Books	Insured by FDIC	Not Insured
Oakland County Investment Pool	\$ 131,016	\$ 131,016	\$ 0	\$ 131,016
Comerica Bank-Money Market	8,702	8,702	8,702	0
Comerica Securities-Bonds	225,477	225,477	0	225,477
Oxford Bank-Checking	20,597	13,247	20,597	0
Comerica Securities-Money Market	36,008	36,008	0	36,008
Huntington Bank-CD	258,284	258,284	250,000	8,284
MSU Federal Credit Union-CD	267,951	267,951	250,000	17,951
Michigan Class Fund	2,154,461	2,154,461	0	2,154,461
	<u>\$ 3,102,496</u>	<u>\$ 3,095,146</u>	<u>\$ 529,299</u>	<u>\$ 2,573,197</u>

Concentration of Credit Risk

The Commission places no limit on the amount it may invest in any one issuer. Approximately seventy-three and eight tenths (73.8%) percent of the Commission's investments are in two IPs: (1) the Oakland County IP; and (2) the Michigan Class Fund. These IPs are not registered with the Securities and Exchange Commission ("SEC") and they do not issue a separate report. The fair value position in these IPs is not the same as the value of the IPs' shares, since these IPs do not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized costs.

In accordance with GASB Statement No. 3, investments are classified into three categories of credit risk, as follows:

- Category 1: Insured or collateralized with securities held by the entity or its agents in the entity's name.
- Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3: Un-collateralized (includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the name of the entity).

Investment Type:

	Category		
	(1)	(2)	(3)
Cash Equivalents	\$ 21,949	\$ 0	\$ 0
Certificates of Deposit	526,235	0	0
Michigan Municipal Bonds	0	225,477	0
Oakland County Investment Pool	0	131,016	0
Comerica Securities-Money Market	0	36,008	0
Michigan Class Fund	0	2,154,461	0
	<u>\$ 548,184</u>	<u>\$ 2,546,962</u>	<u>\$ 0</u>

Additional disclosures required by GASB Statement No. 40 are not included in the accompanying financial statements.

The captions on the Balance Sheet relating to cash, certificates of deposit, and investments are as follows:

Cash in Bank	\$	13,247
Comerica Securities - Money Market		36,008
Cash in Bank - Money Market		8,702
Certificates of Deposit		526,235
Oakland County Investment Pool		131,016
Comerica Securities - Municipal Bonds		225,477
Michigan Class Fund		<u>2,154,461</u>
	<u>\$</u>	<u>3,095,146</u>

The above amounts are classified by GASB Statement No. 3 in the following categories:

Summary of Specific Accounts:

Checking Account	\$	13,247
Comerica Securities - Money Market		36,008
Certificates of Deposit		526,235
Money Market Account		8,702
Oakland County Investment Pool		131,016
Comerica Securities - Municipal Bonds		225,477
Michigan Class Fund		<u>2,154,461</u>
	<u>\$</u>	<u>3,095,146</u>

These funds are in seven financial institutions located in Oakland County and the State of Michigan. All accounts are in the name of the Commission. They are recorded in the Commission's records at cost. Interest is recorded when earned.

(3) RELATED PARTY TRANSACTIONS

GASB Codification Sec. 2300.107 requires that governmental entities disclose related party transactions. The Financial Accounting Standards Board (FASB) Statement No. 57 defines a related party as:

...principal owners of the enterprise; its management; members of the immediate family of principal owners of the enterprise and its management; and other parties with which the enterprises may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties may be prevented from fully pursuing its own separate interests. Another party is also related if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to

an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The Commission has not engaged in any related party transactions.

(4) RISK MANAGEMENT

The Commission carries commercial insurance primarily for protection from personal property loss, theft, and personal injury. For the three previous years, commercial insurance claims have not exceeded the amount of coverage provided for by the policy.

(5) CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance at 1/1/2024	Additions	Deletions	Balance at 12/31/2024
Leasehold Improvements-				
Buildings	\$ 902,764	\$ 266,936	\$ 0	\$ 1,169,700
Equipment	1,381,123	2,641	0	1,383,764
Office Equipment	41,187	0	0	41,187
Total Capital Assets				
Being Depreciated	<u>2,325,074</u>	<u>269,577</u>	<u>0</u>	<u>2,594,651</u>
Less Accumulated Depreciation For:				
Leasehold Improvements-				
Buildings	196,702	29,992	0	226,694
Equipment	1,135,665	57,342	0	1,193,007
Office Equipment	37,529	1,360	0	38,889
Total Accumulated Depreciation	<u>1,369,896</u>	<u>88,694</u>	<u>0</u>	<u>1,458,590</u>
Capital Asset Being Depreciated - Net	<u>\$ 955,178</u>	<u>\$ 180,883</u>	<u>\$ 0</u>	<u>\$ 1,136,061</u>

As noted in Summary of Significant Account Policies Capital Assets, the Commission purchased ONTV equipment and office equipment on January 1, 2020. The \$755,247 in total capital assets should be \$211,929. The net book value of ONTV's assets acquired of \$123,871 and \$88,058 of new assets purchased in 2020 equals the \$211,929 cash outlay. The \$755,247 minus the \$543,318 depreciation on ONTV's assets equals the \$211,929 cash outlay.

Depreciation was charged to operations in the amount of \$88,694.

(6) ONTV MANAGEMENT AGREEMENT

The Commission signed a three-year agreement with ONTV (a Michigan non-profit corporation), in effect March 8, 2001 through March 7, 2004. On February 12, 2004, that agreement was extended until February 28, 2007. The Commission signed a new three-year agreement with ONTV on February 8, 2007. That agreement commenced on March 1, 2007 and ended on February 28, 2010. The Commission signed a new three-year agreement with ONTV on April 15, 2010. That agreement commenced on January 1, 2010 and ended on December 31, 2012. The Commission signed a new three-year agreement with ONTV on December 20, 2012. That agreement

commenced on January 1, 2013 and ended on December 31, 2015. The contract expired December 31, 2015. The Commission signed a new three-year agreement with ONTV on July 13, 2016. That agreement commenced on January 1, 2016 and ends on December 31, 2018, unless terminated early in accordance with the agreement. The Commission signed a new three-year agreement with ONTV on August 8, 2019. That agreement commenced on January 1, 2019 and ends on December 31, 2021, unless terminated early in accordance with the agreement. The Commission signed a new three-year agreement with ONTV on December 9, 2021. That agreement commenced on January 1, 2022 and ends on December 31, 2024, unless terminated early in accordance with the agreement. The Commission signed a new three-year agreement with ONTV on December 12, 2024. That agreement commenced on January 1, 2024 and ends on December 31, 2027, unless terminated early in accordance with the agreement.

The 2024 amount paid to ONTV was \$423,000. Payments were remitted quarterly, based upon ONTV's budget. Per the agreement, ONTV assumes the normal daily operation of the public access channels.

(7) EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

Michigan PA 2 of 1968, as amended, the "*Uniform Accounting and Budgeting Act*" provides that a local unit shall not incur expenditures in excess of the amount appropriated (Section 18(1)). In the body of the financial statements, the Commission's actual expenditures and budgeted expenditures for the budgetary fund have been shown on a line-item basis. The approved budget of the Commission for this budgetary fund was adopted on the total revenue and expenditures level. There were no amendments during the current year.

For the year ended December 31, 2024, the Commission incurred no expenditures in this budgetary fund that were in excess of the amounts appropriated.

(8) CONCENTRATION OF CREDIT RISK

The Commission's major source of revenues is from cable franchise fees. If the government changes how fees are to be charged, this could affect the revenue.

A total of \$26,235 in cash and certificates of deposit are not insured by the FDIC. A total of \$2,546,962 in investments are not insured by the FDIC.

(9) DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS

The objective of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the resources reported in the governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved will be replaced with five new classifications of non-spendable, restricted, committed, assigned and unassigned.

The hierarchy of five possible classifications of fund balance is:

Non-Spendable Fund Balance

- Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables and property held for resale would be reported here unless the proceeds are restricted, committed or assigned.
- Amounts that must be maintained intact legally or contractually (corpus or principal of a permanent fund).

Restricted Fund Balance

- Amounts constrained for a specific purpose by external parties, constitutional provision, or enabling legislation. This is the same definition used by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis - for State and Local Governments*, for restricted net assets.

Committed Fund Balance

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned Fund Balance

- For all governmental funds other than the general fund, any remaining positive amounts not classified as non-spendable, restricted or committed.
- For the general fund, amounts constrained for the intent that they be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned fund balance.

Unassigned Fund Balance

- For the general fund, amounts not classified as non-spendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.
- For all governmental funds other than the general fund, amount expended in excess of resources that are non-spendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

Fund Balance Classification Policies and Procedures

For committed fund balance, the Commission’s highest level of decision-making authority is the Board of Directors. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution by the Board of Directors.

For assigned fund balance, the Board of Directors is authorized to assign amounts to a specific purpose. The authorization policy is a full vote and approval by the Board of Directors.

For the classification of fund balance amounts, the Commission’s policy is to spend restricted amounts first, then unrestricted amounts when both restricted and unrestricted amounts are available. Similarly, the Commission’s policy is to spend committed amounts first, then assigned amounts, and finally unassigned amounts when any of those restricted fund balance classifications could be used.

(10) NET POSITION/FUND BALANCE – RESTRICTED PEG FEES

The Commission decided to determine where the PEG fees and grants revenue stand versus the qualified PEG expenditures, to see whether any portion of the net position or fund balance should be restricted.

The Commission decided to start the computation from July 1, 2000 through December 31, 2014.

The specific revenues used for the calculation included the PEG fees from Comcast and AT&T, equipment grants from Comcast, equipment sales proceeds, and interest on PEG fees paid delinquenty.

The expenditures included capitalized equipment by ONTV and the Commission, equipment grants to Lake Orion Schools, Orion Community Center, Village of Lake Orion, and Orion Township, as well as the capitalized cost of the studio.

The \$130,175 excess of expenditures over revenues from July 1, 2000 through December 31, 2014 is reported on the 2014 audit note. This note will be updated each year showing current activity. The excess of expenditures over revenues balance at December 31, 2024 is \$329,512.

Revenues and Expenditures Summary
for the Period January 1, 2024 through December 31, 2024

Excess of Expenditures Over Revenues at January 1, 2024 \$180,183

Revenues

PEG Fees - Comcast	\$111,106	
PEG Fees - AT&T	9,142	
Equipment Sales Proceeds	0	
<u>Total Revenues</u>		120,248

Expenditures

ONTV - Capital Expenditures (Depreciation Schedule)	2,641	
OCCCC - Capital Expenditures (Depreciation Schedule)	0	
OCCCC - Capital Expenditures (Not on Depreciation Schedule)	0	
ONTV - Capital Expenditures - (Not on Depreciation Schedule)	0	
OCCCC - Building - Garage	266,936	
Grants - Capital Costs - Orion Township Library	0	
Grants - Capital Costs - Village of Lake Orion	0	
Grants - Capital Costs - Lake Orion Community Schools	0	
Grants - Capital Costs - Orion Township	0	
<u>Total Expenditures</u>		269,577

Excess of Expenditures Over Revenues at December 31, 2024 \$329,512

(11) INVESTMENTS IN EXTERNAL INVESTMENT POOL

The Commission invests in the Michigan Class, an external IP. Michigan Class is a local government IP established in 1991 under Michigan state law, emphasizing safety, liquidity, and competitive yield for Michigan public agencies.

As of December 31, 2024, the Commission had \$2,154,461 invested in Michigan Class. The fair value of the investment in Michigan Class is measured at net asset value ("NAV") per share. Michigan Class seeks to maintain a stable NAV of \$1.00 per share, although this cannot be guaranteed.

Michigan Class is rated 'AAAm' by S&P Global Ratings, the highest rating assigned to principal stability government IPs. The pool invests in U.S. Treasury obligations, federal agency obligations,

high-grade commercial paper (rated 'A-1' or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The weighted average maturity of the portfolio is kept under 60 days to enhance liquidity and limit market price exposure.

Investments in Michigan Class are not categorized by risk as they are not evidenced by securities that exist in physical or book entry form. The Commission's investment policy allows for investment in this pool, which is also permitted by State law.

There are no limitations or restrictions on participant withdrawals from Michigan Class.

(12) FAIR VALUE MEASUREMENT

In February 2015, GASB issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Commission evaluated the impact this standard will have on its financial statements.

The Commission categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Commission has the following recurring fair value measurements as of December 31, 2024:

- Cash in checking, money market, and certificates of deposit accounts of \$584,192 is valued at statement value (i.e., Level 1 input).
- The Michigan Class IP of \$2,154,461 is valued as if it were a savings account. It is managed in accordance with the "2a-7 Like Pool" risk-limiting requirements of GASB Statement No. 31 (i.e., Level 2 input). The Commission's share of the fair market value of assets securing the pool is \$2,154,461. The IP is measured at NAV.
- The Oakland County IP of \$131,016 is valued as if it were a savings account. It is managed in accordance with the "2a-7 Like Pool" risk-limiting requirements of GASB Statement No. 31 (i.e., Level 2 input). The Commission's share of the fair market value of assets securing the pool is \$131,016. The IP is measured at NAV.
- Michigan municipal bonds of \$225,477 at cost are valued at \$211,676 using a matrix pricing model and other significant observable inputs (i.e., Level 2 inputs).

Investments in Entities That Calculate Net Asset Value Per Share

The Commission holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At December 31, 2024, the net asset value of the Commission's investment in Michigan Class was \$2,154,461. The IP had no unfunded commitments, specific redemption frequency of redemption

notice period required. The Michigan Class IP invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies. And it has a rating of AAA from Standard and Poor's, with a weighted average maturity of 54 days.

At December 31, 2024, the net asset value of the Oakland County IP and Michigan Class IP was \$131,016 and \$2,154,461, respectively, and there were no unfunded commitments, no restrictions on redemption frequency, and no redemption notice period.

The Michigan Class and Oakland County IPs invest assets in a manner that will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

(13) SUBSEQUENT EVENTS

The Commission has evaluated events and transactions that occurred between January 1, 2025 and November 25, 2025, the latter date being the date the financial statements were available to be issued for possible recognition or disclosure in the financial statements. There were no instances of reportable items.

(14) SUBSEQUENT EVENTS - 2025

None noted.

(15) PRIOR SUBSEQUENT EVENTS - 2019

1. The Federal Communications Commission ("FCC") is looking at proposed rulemaking changes that could have an adverse material effect on the Commission's revenues and expenditures.
2. In July of 2015, AT&T purchased DIRECTV, LLC ("DIRECTTV"). Starting in late 2016, AT&T began encouraging AT&T U-Verse subscribers to convert to DIRECTV, which does not have to pay a franchise fee on their revenue. If all U-Verse subscribers were to convert to DIRECTV, the Commission could lose approximately \$242,000 in annual revenue. This conversion is expected to roll into place over a number of years, during which time some AT&T U-Verse subscribers might ignore any incentives to convert to DIRECTV, choosing instead to return to Comcast. AT&T revenue in 2024 dropped by \$16,624, and Comcast revenue dropped by \$62,703, for a net drop of \$79,327. The total drop in AT&T revenue (i.e., \$242,000 expected between 2017 through 2024) has been \$187,163.
3. The terms of fixed asset acquisitions from ONTV are as follows:
 - A. Beginning in 2020, all capital equipment for the use and benefit of community access facilities and channels will be purchased and owned by the Commission.

- B. Current ONTV assets, including those fully depreciated, will be purchased from ONTV by the Commission effective January 1, 2020 for the amount of the book value of the equipment being purchased on December 31, 2019, excluding the vehicle.
- C. Beginning in 2020, with the exception of vehicles, ONTV will have no capital purchases in their budget, only operating expenses.
- D. The amount budgeted for contractual payments to ONTV in the Commission's budget will be divided by four, and the value of ONTV assets as determined by the 2019 ONTV financial review will be divided by four, and then added together for the amount of the contractual quarterly payments to ONTV from the Commission in 2020. If there is a discrepancy in the value of the equipment found in the 2020 ONTV financial review, the amount will be either added to or subtracted from the final payment in 2021.

(16) LEASEHOLD IMPROVEMENTS

In December 2024, Orion Township sold the building to Lake Orion Community Schools. The building had been shared by the Commission and Orion Township. During the years 2012 and 2011, the Commission invested \$657,555 into an addition onto the building the Township occupied and in 2024 and 2023 they invested another \$512,145 into a garage attached to the building. The Commission was always under the impression that the addition they added and paid for was a sellable asset on their behalf. The Township's attorney drew up the agreement that said the Commission was a lessee of the building and garage they built and paid for; they had no ownership. The agreement stated that as long as the Commission and ONTV were in business, they were entitled to stay in the buildings, for the sum of One (\$1.00) Dollar per year. The Commission will be paying the sum of One Hundred Fifty (\$150.00) Dollars in the 2025 year to the Lake Orion Community Schools to reserve 150 years on the lease.

REQUIRED SUPPLEMENTARY INFORMATION

ORION COMMUNITY CABLE COMMISSIONS COMMISSION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget (Under)
Franchise Fees	\$ 640,000	\$ 500,000	\$ 466,801	\$ (33,199)
PEG Fees	0	140,000	120,248	(19,752)
Investment Income	15,000	15,000	146,249	131,249
Bond Premium Write-Off	0	0	(5,990)	(5,990)
Miscellaneous	20,000	20,000	0	(20,000)
Total Revenues	675,000	675,000	727,308	52,308
EXPENDITURES				
Contingency	200,000	200,000	0	(200,000)
Education and Training	3,000	3,000	1,260	(1,740)
Meals and Travel Expense	3,000	3,000	2,763	(237)
Membership Fees	6,000	6,000	6,286	286
Administrative Fees	2,000	2,000	358	(1,642)
ONTV Public Access Management Fee	423,000	423,000	423,000	0
General Insurance	6,000	6,000	5,103	(897)
Cable Connections	4,000	4,000	2,100	(1,900)
Professional Fees	20,000	20,000	7,350	(12,650)
Contracted Liaison Person	20,000	20,000	13,360	(6,640)
Asset Replacement-ONTV Purchase	0	0	0	0
Repairs and Maintenance	7,000	7,000	410	(6,590)
Grants	0	0	0	0
Capital Expenditures-ONTV & OCCC	235,000	235,000	269,577	34,577
Capital Expendable Expenses	0	0	0	0
Shared Building Services	10,000	10,000	10,188	188
Total Expenditures	939,000	939,000	741,755	(197,245)

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

ORION COMMUNITY CABLE COMMUNICATIONS COMMISSION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2024
 (CONTINUED)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget (Under)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (264,000)	\$ (264,000)	\$ (14,447)	\$ 249,553
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(264,000)	(264,000)	(14,447)	(249,553)
Fund Balance - Beginning	<u>3,341,612</u>	<u>3,341,612</u>	<u>3,341,612</u>	<u>0</u>
Fund Balance - Ending	<u>\$ 3,077,612</u>	<u>\$ 3,077,612</u>	<u>\$ 3,327,165</u>	<u>\$ (249,553)</u>

NOTE: Line-item budget information presented is for analytical purposes only. The budget was adopted in total for revenues and expenditures.





MICHAEL H. DeVRIES

CERTIFIED PUBLIC ACCOUNTANT

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Telephone 248.628.9200

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November 25, 2025

Management and the Board of Directors
Orion Community Cable Communications Commission
1349 Joslyn Road
Lake Orion, Michigan 48360

Dear Members of Management and the Board of Directors:

We have completed our audit of the financial statements of the Orion Community Cable Communications Commission (the "Commission") as of and for the year ended December 31, 2024 and have issued our report dated November 25, 2025. We are required to communicate certain matters to you in accordance with auditing standards generally accepted in the United States of America that are related to internal control and the audit. The appendices to this letter set forth those communications as follows:

- Appendix A: Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Appendix B: Auditors' Communication of Significant Matters with Those Charged with Governance
- Appendix C: Management's Comments and Findings

We discussed these matters with various personnel in the Commission and have already met with management during the audit. We would also be pleased to meet with you to discuss these matters at your convenience.

MEMBER

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MICHIGAN ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

Management and the Board of Directors
Orion Community Cable Communications Commission
November 25, 2025
Page Two

These communications are intended solely for the information and use of the Commission's management and are not intended to be and should not be used by anyone other than the specified parties.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michael H. DeVries". The signature is written in a cursive style with a horizontal line at the end.

Michael H. DeVries
Certified Public Accountant

MHD/mmh
Enclosures

APPENDIX A

COMMUNICATION OF INTERNAL CONTROL MATTERS IDENTIFIED DURING AUDIT

In planning and performing our audit of the financial statements of the Orion Community Cable Communications Commission (the "Commission") as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"), we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Consequently, material weaknesses or significant deficiencies may exist that were not identified. As discussed below, however, we did identify certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the Commission's internal control to be a material weakness.

1. Accounting Expertise

Effective for the year ended December 31, 2006, Statement on Auditing Standards #112 titled, *Communicating Internal Control Related Matters Identified in an Audit* (issued May 2006), requires us to communicate in writing when a client requires assistance to prepare the financial statements and the footnotes required in the annual audit. Based upon discussions with management and audit work performed in the current year, the Commission has the capability to perform monthly internal accounting functions and provide timely reports as requested by its Board of Directors. The Commission does not have the personnel with qualifications and training necessary to generate consolidated financial statements, including the required eliminating entries and footnotes, in accordance with accounting principles generally accepted in the United States of America. We would expect this comment to continue from year to year. We do not recommend any changes to this situation at this time and communicate this as required by professional standards.

APPENDIX A
COMMUNICATION OF INTERNAL CONTROL
MATTERS IDENTIFIED DURING AUDIT
Page Two

2. Lack of Segregation of Duties

There is an absence of appropriate segregation of duties consistent with appropriate control objectives. We would expect this comment to continue from year to year.

APPENDIX B

AUDITORS' COMMUNICATION OF SIGNIFICANT MATTERS WITH THOSE CHARGED WITH GOVERNANCE

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 6, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles ("GAAP"). Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Orion Community Cable Communications Commission (the "Commission"). Our consideration of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters and our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated May 6, 2025.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Commission are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies were not changed during 2024.

APPENDIX B

AUDITORS' COMMUNICATION OF SIGNIFICANT MATTERS WITH THOSE CHARGED WITH GOVERNANCE

Page Two

We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive estimate affecting the financial statements was the useful lives of capital assets.

Useful lives of capital assets are based upon management's estimate of their life. We evaluated the key factors and assumptions used to develop the estimate of the useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The adjustments identified during the audit have been communicated to management and management has posted all adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

APPENDIX B

AUDITORS' COMMUNICATION OF SIGNIFICANT MATTERS WITH THOSE CHARGED WITH GOVERNANCE

Page Three

Management Representations

We have requested certain representations from management that are included in management's representation letter dated as of the date of the audit report.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the Supplementary Information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with GAAP, that the method of preparing it has not changed from the prior period, and that the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the Supplementary Information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

APPENDIX C

MANAGEMENT'S COMMENTS AND FINDINGS

We have examined the accounts and records of the Orion Community Cable Communications Commission (the "Commission") for the year ended December 31, 2024, and have reported our findings to you under separate cover. The accounts and records were found to be in good order, except for the following items:

1. The Federal Deposit Insurance Corporation ("FDIC") is reporting increases in both the number of insolvent and troubled banks on their watch list -- large and small banks alike. Given the current banking industry environment, we recommend obtaining full FDIC insurance coverage or, at a minimum, conducting periodic monitoring of the institutions' financial standings using a bank rating service
2. The Commission should include in its Board members' meeting packages a copy of the Commission's bank statements which will allow them to see monthly activity in its bank accounts, or to have recorded in the minutes any change in investments made by the Treasurer.

We acknowledge with appreciation the cooperation we received from members of your Board of Directors and staff and note that nothing came to our attention in the course of our tests and reviews, in connection with any report on the financial statements, to indicate any improper, illegal, or other action, except as stated.