

**FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO**

JUNE 30, 2021 and 2020

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

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BALARSKY & BEEBOUT
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Sacramento Community Cable Foundation
DBA Access Sacramento

We have reviewed the accompanying financial statements of Sacramento Community Cable Foundation, DBA Access Sacramento (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 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.

Accountant's Conclusion

Based on our reviews, 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.

Balarsky & Beebout, CPAs
Sacramento, CA
November 4, 2021

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**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,095,260	\$ 796,024
Cash - Reserve Funds	42,669	42,631
Prepaid other	-	-
Furniture and equipment, net	767,733	791,382
TOTAL ASSETS	\$ 1,905,662	\$ 1,630,037
 LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 193	\$ 1,421
Accrued Liabilities	10,111	17,454
PPP Loan	112,887	-
CARES Act Loan	-	67,805
TOTAL LIABILITIES	123,191	86,700
 NET ASSETS		
Without donor restrictions	803,176	612,530
With donor restrictions	979,295	930,807
TOTAL NET ASSETS	1,782,471	1,543,337
 TOAL LIABILITIES AND NET ASSETS	\$ 1,905,662	\$ 1,630,037

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
SMCTC Grant (Note 3)	\$ 664,689	\$ -	\$ 664,689	\$ 647,903	\$ -	\$ 647,903
Grants Foundation	43,666	-	43,666	27,405	-	27,405
PEG Capital & Facilities Grant (Note 7)	-	689,133	689,133	-	478,832	478,832
Interest Income	438	-	438	896	-	896
Memberships	17,764	-	17,764	19,258	-	19,258
Film Festival	2,042	-	2,042	19,639	-	19,639
Underwriting	4,259	-	4,259	3,791	-	3,791
User/Rental Fees	994	-	994	3,477	-	3,477
Training Fees	69	-	69	7,001	-	7,001
Contracted Production	646	-	646	10,692	-	10,692
Donations	4,714	-	4,714	4,237	-	4,237
In-Kind Donations	-	-	-	-	-	-
Fundraising	5,985	-	5,985	12,240	-	12,240
Other Revenue	172,085	-	172,085	-	-	-
Release of Restriction - Current Year	640,645	(640,645)	-	513,256	(513,256)	-
Total Support and Revenue	<u>1,557,996</u>	<u>48,488</u>	<u>1,606,484</u>	<u>1,269,795</u>	<u>(34,424)</u>	<u>1,235,371</u>
Operating expenses:						
Program services	1,019,162	-	1,019,162	1,078,179	-	1,078,179
Supporting services:						
Administrative	326,905	-	326,905	336,613	-	336,613
Fundraising	21,283	-	21,283	28,796	-	28,796
Total operating expenses	<u>1,367,350</u>	<u>-</u>	<u>1,367,350</u>	<u>1,443,588</u>	<u>-</u>	<u>1,443,588</u>
Change in net assets	190,646	48,488	239,134	(173,793)	(34,424)	(208,217)
Net assets at beginning of year	617,530	930,807	1,548,337	786,323	965,231	1,751,554
Net assets at end of year	<u>\$ 808,176</u>	<u>\$ 979,295</u>	<u>\$ 1,787,471</u>	<u>\$ 612,530</u>	<u>\$ 930,807</u>	<u>\$ 1,543,337</u>

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2021 and 2020

	For the Year Ended June 30, 2021			For the Year ended June 30, 2020				
	Program	General and Administrative	Fundraising	Total	Program	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 363,881	\$ 140,354	\$ 15,595	\$ 519,830	\$ 422,497	\$ 162,963	\$ 18,107	\$ 603,567
Depreciation	317,170	35,241	-	352,411	295,123	32,791	-	327,914
Equipment and maintenance	237,750	12,513	-	250,263	170,376	8,967	-	179,343
Occupancy	39,207	43,564	4,356	87,127	40,161	44,624	4,462	89,247
Professional services	14,917	34,805	-	49,722	10,867	25,355	-	36,222
Insurance	4,476	40,285	-	44,761	3,817	34,558	-	38,175
Production and programs	35,561	-	-	35,561	113,168	-	-	113,168
Office expense	4,647	18,588	-	23,235	4,792	19,167	-	23,959
Public relations, printing and postage	1,368	1,369	1,173	3,910	4,810	4,809	4,122	13,741
Conferences, travel and meetings	185	186	159	530	2,455	2,455	2,105	7,015
Loss On Disposition	-	-	-	-	10,113	1,124	-	11,237
	<u>\$ 1,019,162</u>	<u>\$ 326,905</u>	<u>\$ 21,283</u>	<u>\$ 1,367,350</u>	<u>\$ 1,078,179</u>	<u>\$ 336,613</u>	<u>\$ 28,796</u>	<u>\$ 1,443,588</u>

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOLUNDATION
DBA ACCESS SACRAMENTO**

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 239,134	(208,217)
<i>Adjustments to reconcile net earnings to cash provided (utilized) by operating activities:</i>		
Depreciation	352,411	327,914
<i>Cash flows from operating activities:</i>		
Prepays	-	1,282
Accounts payable	(1,248)	(751)
Accrued liabilities	(75,148)	73,585
	276,015	402,030
NET CASH PROVIDED BY OPERATING ACTIVITIES	515,149	193,813
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(328,762)	(208,313)
NET CASH (USED) IN INVESTING ACTIVITIES	(328,762)	(208,313)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	112,887	-
NET CASH PROVIDED BY FINANCING ACIVITIES	112,887	-
NET CHANGE IN CASH EQUIVILANTS	299,274	(14,500)
CASH AND CASH EQUIVILANTS AT BEGINNING OF YEAR	838,655	853,155
CASH AND CASH EQUIVILANTS AT END OF YEAR	\$ 1,137,929	838,655

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Sacramento Community Cable Foundation dba Access Sacramento (the Foundation) is a publicly supported organization, incorporated in 1984. The Foundation's objective is to support, manage, produce and distribute noncommercial, community-based media programs on two cable TV channels and on cable radio in Sacramento County. The Foundation also operates an over-the-air low-power FM radio station, TV and radio studios, and a computer media lab in the Sacramento area. The TV, radio studios and media lab's main source of support is from fundraising, grants, and membership fees.

Basis of Accounting

The accounts of the Foundation are maintained on the basis of cash receipts and disbursements; however, the accompanying financial statements have been adjusted to reflect the accrual basis of accounting.

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are classified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

For purposes of statement of financial position presentation and reporting of cash flows, the Foundation considers all unrestricted demand deposits, money market funds and highly liquid debt instruments with a purchased maturity of less than 90 days to be cash and cash equivalents.

Use of Estimates

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

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code for revenue generated from its exempt purpose activities.

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Uncertainty in Income Taxes: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Foundation to report information regarding its exposure to various tax positions taken. The Foundation has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that the Foundation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Foundation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Furniture and Equipment

Furniture and equipment purchased by the Foundation are recorded at cost. The Foundation uses the straight-line method in computing depreciation over the estimated useful lives of the assets. The Foundation capitalizes property and equipment with a purchase price of \$1,000 or more.

Functional Allocation of Expenses

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or service. Expenses associated with more than one program or supporting service are allocated to functional categories using allocation methods appropriate to the nature of the expense.

Contributions

In accordance with GAAP, contributions to be received in the future are to be recorded at their present value.

NOTE 2 - OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a non-cancelable operating lease expiring in October 2025. Rent expense under the lease agreements amounted to \$59,717 for the years ending June 30, 2021 and 2020, respectively. Future minimum rental payments under this operating lease are as follows: 2022-\$59,717, 2023-\$59,717, 2024-\$61,707, 2025-\$62,703 and 2026-\$20,901.

NOTE 3 - CONCENTRATION OF RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The Foundation has not experienced any losses in such accounts, nor does the Foundation believe it is exposed to any significant credit risk on cash deposits.

Approximately 84% of the Foundation's revenues were provided by The Sacramento Metropolitan Cable Television Commission. During fiscal year ending June 30, 2021 and 2020 the Foundation received a total of \$1,353,822 and \$1,126,735, respectively, from SMCTC for operations and equipment.

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

NOTE 4 - RETIREMENT PLAN

The Foundation adopted the Access Sacramento 403(b) retirement plan. The Foundation's contributions are 4% of the annual salary of eligible employees. During the year ended June 30, 2021 and 2020, the Foundation's contributions to the plan were \$14,312 and \$12,869, respectively.

NOTE 5 - FIXED ASSETS

The following is a summary of the Foundation's furniture and equipment as of June 30:

<u>Description</u>	<u>Useful Life</u>	<u>2021</u>	<u>2020</u>
Production vans	5 Years	\$ 56,641	\$ 56,641
HD truck	5 to 7 Years	782,436	782,436
Production and office equipment	5 to 10 Years	2,339,616	2,010,854
Total		<u>3,178,693</u>	<u>2,849,931</u>
Less accumulated depreciation		<u>2,410,960</u>	<u>2,058,549</u>
Furniture & equipment, net		\$ <u>767,733</u>	\$ <u>791,382</u>

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of The Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Foundation's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash and Equivalents	\$ 1,137,929	\$ 838,655
Prepaid Expense	-	-
Financial assets available to meet cash needs within one year	<u>\$ 1,137,929</u>	<u>\$ 838,655</u>

NOTE 7 - FUNDS WITH RESTRICTIONS

The Foundation received grant money from Sacramento Metropolitan Cable Television Commission (SMCTC), a portion of which is designated as PEG (Public, Educational and Governmental Access Channel Fees) grant money with a donor restriction that it be spent specifically on Capital and Facility improvements and acquisitions. During fiscal year ending June 30, 2021 and 2020 the Foundation received PEG grant funding totaling \$689,133 and \$478,8332, respectively, and spent \$640,645 and \$513,256, respectively, on qualifying expenditures. As of June 30, 2021 and 2020 the ending net assets with restrictions were \$979,295 and \$930,807, respectively.

**SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTE 8 – COMPENSATED ABSENCES

The Foundation has a paid vacation and sick leave policy based on length of employment and other factors. The expense and related liability is recognized as the benefit accrues to the employee under the paid vacation policy. As of June 30, 2021 and 2020 the accrued vacation was \$8,586 and \$17,454, respectively. The paid sick leave policy is non-vesting and no expense or liability is recorded.

NOTE 9 – CARES ACT - PPP LOAN

On May 5, 2020, the Foundation (the “Borrower”), was granted a loan (the “Loan”) from Bank of America in the aggregate amount of \$67,805, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. On May 30, 2021, the loan was forgiven and moved to income.

On March 23, 2021, the Foundation (the “Borrower”), was granted a loan (the “Loan”) from Umpqua in the aggregate amount of \$112,887, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated March 23, 2021 issued by the Borrower, matures on March 23, 2023, and bears interest at a rate of 1.0% per annum. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Foundation intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amount of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The exact terms of the loan are to be identified in the event Borrower either fails to apply for forgiveness or applies for the forgiveness but is denied.

NOTE 10 – SUBSEQUENT EVENTS

In preparing these financial statements, Sacramento Community Cable Foundation, dba Access Sacramento has evaluated events and transactions for potential recognition or disclosure through November 4, 2021, the date the financial statements were available to be issued. As a result of the spread of COVID-19 Coronavirus, economic uncertainties have arisen which may have a negative impact on the Organization’s operations though such potential impact is unknown at this time.