

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

**SACRAMENTO COMMUNITY CABLE  
FOUNDATION  
DBA ACCESS SACRAMENTO**

**JUNE 30, 2020 and 2019**

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO**

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**BALARSKY & BEEBOUT**  
CERTIFIED PUBLIC ACCOUNTANTS

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**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, 2020 and 2019, and the related statements of activities, statements of 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 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.

*Balarsky & Beebout, CPAs*  
Sacramento, CA  
November 9, 2020

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO**

**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 796,024	\$ 810,560
Cash - Reserve Funds	42,631	42,595
Prepaid other	-	1,282
Furniture and equipment, net	<u>791,382</u>	<u>910,983</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,630,037</u>	<u>\$ 1,765,420</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable	\$ 1,441	\$ 2,192
Accrued Liabilities	17,454	11,674
CARES Act Loan	<u>67,805</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	86,700	13,866
 <b>NET ASSETS</b>		
Without donor restrictions	612,530	786,323
With donor restrictions	<u>930,807</u>	<u>965,231</u>
<b>TOTAL NET ASSETS</b>	1,543,337	1,751,554
 <b>TOAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,630,037</u>	<u>\$ 1,765,420</u>

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO**

**STATEMENTS OF ACTIVITIES**

**For the Year Ended June 30, 2020 and 2019**

	<u>2020</u>			<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue						
SMCTC Grant (Note 3)	\$ 647,903	\$ -	\$ 647,903	\$ 626,297	\$ -	\$ 626,297
Grants Foundation	27,405	-	27,405	29,750	-	29,750
PEG Capital & Facilities Grant (Note 7)	-	478,832	478,832	-	751,345	751,345
Interest Income	896	-	896	652	-	652
Memberships	19,258	-	19,258	23,487	-	23,487
Film Festival	19,639	-	19,639	13,415	-	13,415
Underwriting	3,791	-	3,791	5,487	-	5,487
User/Rental Fees	3,477	-	3,477	5,647	-	5,647
Training Fees	7,001	-	7,001	11,905	-	11,905
Contracted Production	10,692	-	10,692	17,251	-	17,251
Donations	4,237	-	4,237	2,874	-	2,874
In-Kind Donations	-	-	-	10,000	-	10,000
Fundraising	12,240	-	12,240	18,677	-	18,677
Release of Restriction - Current Year	513,256	(513,256)	-	205,262	(205,262)	-
Total Support and Revenue	<u>1,269,795</u>	<u>(34,424)</u>	<u>1,235,371</u>	<u>970,704</u>	<u>546,083</u>	<u>1,516,787</u>
Operating expenses:						
Program services	1,078,179	-	1,078,179	1,065,261	-	1,065,261
Supporting services:						
Administrative	336,613	-	336,613	324,069	-	324,069
Fundraising	28,796	-	28,796	30,315	-	30,315
Total operating expenses	<u>1,443,588</u>	<u>-</u>	<u>1,443,588</u>	<u>1,419,645</u>	<u>-</u>	<u>1,419,645</u>
Change in net assets	(173,793)	(34,424)	(208,217)	(448,941)	546,083	97,142
Net assets at beginning of year	786,323	965,231	1,751,554	1,235,264	419,148	1,654,412
Net assets at end of year	<u>\$ 612,530</u>	<u>\$ 930,807</u>	<u>\$ 1,543,337</u>	<u>\$ 786,323</u>	<u>\$ 965,231</u>	<u>\$ 1,751,554</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, 2020 and 2019**

	<u>For the Year Ended June 30, 2020</u>				<u>For the Year ended June 30, 2019</u>			
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 422,497	\$ 162,963	\$ 18,107	\$ 603,567	\$ 402,024	\$ 155,067	\$ 17,230	\$ 574,321
Depreciation	295,123	32,791	-	327,914	292,751	32,528	-	325,279
Equipment and maintenance	170,376	8,967	-	179,343	233,067	12,267	-	245,334
Production and programs	113,168	-	-	113,168	62,110	-	-	62,110
Occupancy	40,161	44,624	4,462	89,247	36,350	40,390	4,039	80,779
Insurance	3,817	34,358	-	38,175	3,378	30,401	-	33,779
Professional services	10,867	25,355	-	36,222	10,350	24,151	-	34,501
Office expense	4,792	19,167	-	23,959	4,678	18,712	-	23,390
Public relations, printing and postage	4,810	4,809	4,122	13,741	8,280	8,280	7,097	23,657
Loss On Disposition	10,113	1,124	-	11,237	-	-	-	-
Conferences, travel and meetings	2,455	2,455	2,105	7,015	2,273	2,273	1,949	6,495
In-kind	-	-	-	-	10,000	-	-	10,000
	<u>\$ 1,078,179</u>	<u>\$ 336,613</u>	<u>\$ 28,796</u>	<u>\$ 1,443,588</u>	<u>\$ 1,065,261</u>	<u>\$ 324,069</u>	<u>\$ 30,315</u>	<u>\$ 1,419,645</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, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (208,217)	97,142
<i>Adjustments to reconcile net earnings to cash provided (utilized) by operating activities:</i>		
Depreciation	327,914	325,279
<i>Cash flows from operating activities:</i>		
Prepays	1,282	273
Accounts payable	(751)	2,192
Accrued liabilities	73,585	(15,497)
	<b>402,030</b>	<b>312,247</b>
<b>NET CASH PROVIDED BY OPERATING ACIVITIES</b>	<b>193,813</b>	<b>409,389</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(208,313)	(85,570)
<b>NET CASH (USED) IN INVESTING ACTIVITIES</b>	<b>(208,313)</b>	<b>(85,570)</b>
 <b>NET CHANGE IN CASH EQUIVILANTS</b>	<b>(14,500)</b>	<b>323,819</b>
 <b>CASH AND CASH EQUIVILANTS AT BEGINNING OF YEAR</b>	<b>853,155</b>	<b>529,336</b>
 <b>CASH AND CASH EQUIVILANTS AT END OF YEAR</b>	<b>\$ 838,655</b>	<b>853,155</b>

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
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**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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board and reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions, and without donor restrictions.

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.

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.



**SACRAMENTO COMMUNITY CABLE FOUNDATION  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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.

Financial Instruments and Credit Risk

The Foundation manages deposit concentrations risk by placing cash, money market accounts, and certificates of deposits with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts.

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, 2020 and 2019, respectively. Future minimum rental payments under this operating lease are as follows: 2021-\$59,717, 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. On June 30, 2020, the Foundation had \$477,894 in excess of the FDIC insured limit.

Approximately 91% of the Foundation's revenues were provided by The Sacramento Metropolitan Cable Television Commission. During fiscal year ending June 30, 2020 and 2019 the Foundation received a total of \$1,126,735 and \$1,377,642, respectively, from SMCTC for operations and equipment.

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
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**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, 2020 and 2019, the Foundation's contributions to the plan were \$12,869 and \$12,457, 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>2020</u>	<u>2019</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	2,010,854	2,373,606
Total		<u>2,849,931</u>	<u>3,212,683</u>
Less accumulated depreciation		<u>2,059,553</u>	<u>2,301,700</u>
Furniture & equipment, net		\$ <u>790,378</u>	\$ <u>910,983</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>2020</u>	<u>2019</u>
Cash and Equivalents	\$ 838,655	\$ 853,155
Prepaid Expense	<u>-</u>	<u>1,282</u>
Financial assets available to meet cash needs within one year	<u>\$ 838,655</u>	<u>\$ 854,437</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, 2020 and 2019 the Foundation received PEG grant funding totaling \$478,832 and \$751,345, respectively, and spent \$513,256 and \$205,262, respectively, on qualifying expenditures. As of June 30, 2020, and 2019 the ending net assets with restrictions were \$930,807 and \$965,231, respectively. The Foundation expects to spend the remainder of the funds in the next fiscal year on capital acquisitions.

**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, 2020 and 2019 the accrued vacation was \$17,454 and \$11,674, 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.

The Loan, which was in the form of a Note dated May 5, 2020 issued by the Borrower, matures on May 5, 2022, 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 9, 2020, 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.