

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO
(A California Nonprofit Corporation)**

**FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 and 2015**

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To The Board of Directors
Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)

We have reviewed the accompanying financial statements of Sacramento Community Cable Foundation, DBA Access Sacramento, a California Nonprofit Corporation, which comprise the statement of financial position as of June 30, 2016 and 2015, and the related statements of activities, changes in net assets 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 & Associates, CPA's
Carmichael, CA
November 9, 2016

Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016 and 2015

ASSETS	2016	2015
Current Assets		
Cash	\$ 480,315	\$ 210,537
Cash - Reserve Funds (Note 5)	50,000	50,000
Prepaid Insurance	-	-
Total Current Assets	530,315	260,537
Other Assets		
Advance to Employee	400	2,080
Deposit on Fixed Asset (Note 9)	-	50,000
Total Other Assets	400	52,080
Furniture and Equipment (Notes 1 and 6)		
Furniture and Equipment	2,380,397	1,614,331
Less Accumulated Depreciation	1,402,262	1,252,852
Net Property and Equipment	978,135	361,479
TOTAL ASSETS	\$ 1,508,850	\$ 674,096
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	7,551	19,861
Accounts Payable- HD Truck	204,049	-
Grant Liability	12,500	-
Accrued Vacation (Note 8)	\$ 19,560	\$ 17,555
Total Current Liabilities	243,660	37,416
Net Assets		
Unrestricted	1,076,209	531,332
Temporarily Restricted	188,981	105,348
Total Net Assets	1,265,190	636,680
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,508,850	\$ 674,096

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2016 and 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
SMCTC Grant (Note 3)	\$ 539,036	\$ -	\$ 539,036	\$ 503,996	\$ -	\$ 503,996
SMCTC One Time Install	-	-	-	51,324	-	51,324
Grants Foundation	34,583	-	34,583	33,025	-	33,025
PEG Capital & Facilities Grant (Note 7)	851,763	188,981	1,040,744	239,591	105,348	344,939
Release of Restriction - Current Year (Note 7)	105,348	(105,348)	-	149,688	(149,688)	-
Interest Income	345	-	345	322	-	322
Memberships	20,326	-	20,326	19,283	-	19,283
Film Festival	6,950	-	6,950	9,260	-	9,260
Underwriting	4,000	-	4,000	3,800	-	3,800
User/Rental Fees	17,724	-	17,724	8,986	-	8,986
Training Fees	6,736	-	6,736	8,706	-	8,706
Contracted Production	24,529	-	24,529	18,475	-	18,475
Donations	3,255	-	3,255	3,522	-	3,522
In-Kind Donations	15,000	-	15,000	15,000	-	15,000
Fundraising	2,354	-	2,354	13,384	-	13,384
Total Support and Revenue	1,631,949	83,633	1,715,582	1,078,362	(44,340)	1,034,022
Operating Expenses						
Personnel						
Executive Director	91,669	-	91,669	86,033	-	86,033
Executive Director- Retired	-	-	-	-	-	-
Office Coordinator	25,916	-	25,916	26,334	-	26,334
Director/Trainer	4,737	-	4,737	10,710	-	10,710
Programming Director	40,881	-	40,881	39,845	-	39,845
Chief Technician	15,205	-	15,205	14,635	-	14,635
Hometown TV Salary/Contracted	38,949	-	38,949	41,123	-	41,123
Digital Media Coordinator	26,809	-	26,809	25,250	-	25,250
On-Call Production/Office	54,610	-	54,610	44,119	-	44,119
Radio Production Coordinator	33,166	-	33,166	26,832	-	26,832
Playback Operator and Assistant	24,106	-	24,106	22,896	-	22,896
Production Director - #1	44,720	-	44,720	39,542	-	39,542
Multi-Media Projects Coordinator	28,035	-	28,035	27,189	-	27,189
Temp Help	31,153	-	31,153	22,170	-	22,170
NNB Project	15,348	-	15,348	13,472	-	13,472
Fundraising/Underwriter Coordinator	-	-	-	3,400	-	3,400
Total Personnel	475,304	-	475,304	443,550	-	443,550
Burden						
Payroll Tax Expense	36,737	-	36,737	35,141	-	35,141
Medical Insurance	55,411	-	55,411	38,246	-	38,246
Retirement Plan	14,579	-	14,579	10,912	-	10,912
Workers' Compensation	7,645	-	7,645	11,214	-	11,214
Total Burden	114,372	-	114,372	95,513	-	95,513

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
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**STATEMENT OF FINANCIAL ACTIVITY (Continued)
FOR THE YEAR ENDED JUNE 30, 2016 and 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Occupancy						
Building - Rent Expense	50,179	-	50,179	54,740	-	54,740
Security	5,131	-	5,131	4,331	-	4,331
Utilities	13,800	-	13,800	12,560	-	12,560
Insurance	21,702	-	21,702	22,030	-	22,030
Total Occupancy	<u>90,812</u>	<u>-</u>	<u>90,812</u>	<u>93,661</u>	<u>-</u>	<u>93,661</u>
General Administration						
Office Expense	3,264	-	3,264	6,330	-	6,330
Telephone	6,952	-	6,952	7,275	-	7,275
Postage	2,321	-	2,321	3,236	-	3,236
Printing	1,453	-	1,453	729	-	729
Subscriptions & Publications	1,482	-	1,482	1,576	-	1,576
Legal & Accounting	25,704	-	25,704	29,090	-	29,090
Community Relations	14,017	-	14,017	15,022	-	15,022
Mileage, Parking & Travel	4,651	-	4,651	8,193	-	8,193
Promo & Advertising	6,984	-	6,984	9,779	-	9,779
Training	2,065	-	2,065	1,479	-	1,479
Film Festival & Talent Show	14,903	-	14,903	11,972	-	11,972
Total General Administration	<u>83,796</u>	<u>-</u>	<u>83,796</u>	<u>94,681</u>	<u>-</u>	<u>94,681</u>
Production						
Tape Stock	584	-	584	908	-	908
Program Guide / Viewfinder	780	-	780	738	-	738
Maintenance, Parts, etc.	21,605	-	21,605	77,396	-	77,396
Total Production	<u>22,969</u>	<u>-</u>	<u>22,969</u>	<u>79,042</u>	<u>-</u>	<u>79,042</u>
In-Kind Expenses	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Equipment						
Cloud Storage/Software	117,508	-	117,508	93,904	-	93,904
Leased Equipment	17,903	-	17,903	19,526	-	19,526
Depreciation	149,408	-	149,408	144,054	-	144,054
Total Operating Expenses	<u>1,087,072</u>	<u>-</u>	<u>1,087,072</u>	<u>1,078,931</u>	<u>-</u>	<u>1,078,931</u>
Change in Net Assets - Unrestricted	<u>\$ 544,877</u>	<u>\$ 83,633</u>	<u>\$ 628,510</u>	<u>\$ (569)</u>	<u>\$ (44,340)</u>	<u>\$ (44,909)</u>

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
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**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016 and 2015**

	Unrestricted	Temporarily Restricted	Total
Net Assets, Beginning of Year 2015	\$ 531,901	149,688	\$ 681,589
Increase (Decrease) in Net Assets	(569)	(44,340)	(44,909)
Net Assets, Beginning of Year 2016	531,332	\$ 105,348	636,680
Increase (Decrease) in Net Assets	544,877	83,633	628,510
Total Net Assets, End of Year 2016	\$ 1,076,209	\$ 188,981	\$ 1,265,190

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016 AND 2015**

Cash Flows from Operating Activities	2016	2015
Increase / (decrease) in Net Assets	\$ 628,510	\$ (44,909)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	149,408	144,054
Increase in Vacation Accrual	2,005	(1,947)
Increase (Decrease) in Accounts Payable	193	4,262
Increase (Decrease) in Accounts Payable- Truck	204,049	-
Net Cash Provided by Operating Activities	984,165	101,460
Cash Flows from Investing Activities		
Deposit on Fixed Asset	50,000	(50,000)
Purchase of Fixed Assets	(766,066)	(95,429)
Net Cash Provided by Investing Activities	(716,066)	(188,493)
Cash Flows from Financing Activities		
Advance to Employee	1,680	(2,084)
Net Increase in Cash	269,779	(46,053)
Cash, Beginning of Year	260,537	306,590
Cash, End of Year	\$ 530,316	\$ 260,537

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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.

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

Since the Foundation is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Foundation uses the same accounting methods for tax and financial reporting. GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Foundation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Foundation's returns for years ended June 30, 2014, 2015, and 2016, are subject to examination by federal and state taxing authorities, generally for three years after they are filed.

**Sacramento Community Cable Foundation
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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 Statement Presentation

Under GAAP, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. There were no permanently restricted net assets at June 30, 2016.

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 maturity of less than 90 days to be cash and cash equivalents.

Contributions

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

Functional Expense Reporting

The costs of providing the Foundation's programs have been summarized by natural classification in the financial statements. Based on estimates developed by management, the cost of program services was \$792,172, the cost of support services was \$260,756, the cost of fundraising was \$34,144, bringing the total expenses to \$1,087,072.

Sacramento Community Cable Foundation
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a non-cancelable operating lease expiring in October 2017. Rent expense for the twelve months ended June 30, 2016 was \$50,179. Future minimum rental payments under this operating lease are as follows:

<u>Year ended June 30</u>	<u>Minimum Rental Payment</u>
2017	\$ <u>45,617</u>
	\$ <u>45,617</u>

NOTE 3 - CONCENTRATION OF RISK

The Foundation maintains its cash in bank accounts that, at times, may not be covered by federal insurance. The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risks related to cash.

Approximately 94% of the Foundation's revenues were provided by The Sacramento Metropolitan Cable Television Commission. The Foundation received a total of \$1,614,363 from SMCTC for operations and equipment.

NOTE 4 - RETIREMENT PLAN

The Foundation adopted the Access Sacramento 403(b) retirement plan. The Foundation's contributions are 5% of the annual salary of eligible employees. During the year ended June 30, 2016, the Foundation's contributions to the plan were \$14,579.

NOTE 5 - CASH - RESERVE FUNDS

The Foundation has restricted these funds for emergency purposes as defined by the Board of Directors. These funds are held with unencumbered funds in the Foundation's cash accounts.

Sacramento Community Cable Foundation
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 – FIXED ASSETS

The following is a summary of the foundations fixed assets as of June 30, 2015.

<u>Description</u>	<u>Useful Life</u>	<u>Amount</u>
Production Vans	5 years	\$ 56,641
HD Truck	5 to 7 years	707,744
Production and Office Equipment	5 to 10 years	<u>1,616,012</u>
Total Fixed Assets		2,380,397
Less Accumulated Depreciation		<u>1,402,262</u>
Net Fixed Assets		<u><u>\$ 978,135</u></u>

NOTE 7 – TEMPORARILY RESTRICTED FUNDS

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. The Foundation received PEG grant funding totaling \$1,040,744 and had carryover of \$105,348 from the prior year. The Foundation spent \$957,111 on qualifying expenditures leaving a balance of \$188,981. The Foundation expects to spend the remainder of the funds in the next fiscal year on capital acquisitions. As such, \$188,981 remains temporarily restricted as of June 30, 2016.

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. The paid sick leave policy is non-vesting and no expense or liability is recorded.

**Sacramento Community Cable Foundation
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 9 – DEPOSIT ON FIXED ASSET

During the prior fiscal year the Foundation entered into a contract to purchase a High Definition mobile satellite truck at an estimated cost of \$700,000. The Foundation entered into this contract after receiving approval for funding of the truck from the Sacramento Metropolitan Cable Commission.

As of June 30, 2015 the Foundation had paid a \$50,000 deposit towards the truck.

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, 2016, the date the financial statements were available to be issued.