

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

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO**

JUNE 30, 2023

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**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 statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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

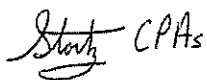
Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Restatement of Beginning Net Assets

As discussed in Note 2 to the financial statements, the beginning net asset balance was restated to correct certain misstatements.

Emphasis of Matter

As discussed in Note 3 to the financial statements, Sacramento Community Cable Foundation, DBA Access Sacramento changed the manner in which it accounts for leases in fiscal year ended June 30, 2023. Our opinion is not modified with respect to this matter.



El Dorado Hills, California
January 8, 2024

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

STATEMENT OF FINANCIAL POSITION

June 30, 2023

ASSETS	
Cash and cash equivalents	\$ 1,212,727
Cash - Reserve Funds	50,186
Prepaid other	68,675
Operating lease right of use asset	141,406
Property and equipment, net	<u>401,460</u>
TOTAL ASSETS	\$ <u>1,874,454</u>
 LIABILITIES AND NET ASSETS	
Accounts payable	\$ 3,977
Accrued liabilities	28,687
Refundable advances	917,787
Operating lease liability	<u>144,591</u>
TOTAL LIABILITIES	1,095,042
 NET ASSETS	
Without donor restrictions	<u>779,412</u>
TOTAL NET ASSETS	779,412
 TOAL LIABILITIES AND NET ASSETS	 \$ <u>1,874,454</u>

See accompanying notes to the financial statements

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
SMTC Grant	\$ 801,274	\$ -	\$ 801,274
PEG Capital & Facilities Grant	311,789	-	311,789
Investment income, net	1,948	-	1,948
Memberships	15,810	-	15,810
Film Festival	13,202	-	13,202
Underwriting	6,806	-	6,806
Training Fees	3,830	-	3,830
Donations	16,229	-	16,229
Other Revenue	25,371	-	25,371
	<u>1,196,259</u>	<u>-</u>	<u>1,196,259</u>
Total Support and Revenue			
	<u>1,196,259</u>	<u>-</u>	<u>1,196,259</u>
Operating expenses:			
Program services	908,094	-	908,094
Supporting services:			
Administrative	365,309	-	365,309
Fundraising	27,114	-	27,114
	<u>1,300,517</u>	<u>-</u>	<u>1,300,517</u>
Total operating expenses			
	<u>(104,258)</u>	<u>-</u>	<u>(104,258)</u>
Change in net assets			
	<u>669,967</u>	<u>1,053,531</u>	<u>1,723,498</u>
Net assets at beginning of year, as originally reported			
Restatement	213,703	(1,053,531)	(839,828)
Net assets at beginning of year, as restated	883,670	-	883,670
Net assets at end of year	<u>\$ 779,412</u>	<u>\$ -</u>	<u>\$ 779,412</u>

See accompanying notes to the financial statements

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

	Program	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 418,936	\$ 161,590	\$ 17,954	\$ 598,480
Equipment and maintenance	182,550	9,608	-	192,158
Depreciation	207,090	23,010	-	230,100
Occupancy	45,209	50,232	5,023	100,464
Insurance	6,800	61,205	-	68,005
Office expense	6,429	25,715	-	32,144
Professional services	12,481	29,123	-	41,604
Production and programs	23,772	-	-	23,772
Public relations, printing and postage	2,698	2,697	2,312	7,707
Mileage and travel	2,129	2,129	1,825	6,083
	<u>\$ 908,094</u>	<u>\$ 365,309</u>	<u>\$ 27,114</u>	<u>\$ 1,300,517</u>

See accompanying notes to the financial statements

**SACRAMENTO COMMUNITY CABLE FOLUNDATION
DBA ACCESS SACRAMENTO**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (104,258)
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>	
Depreciation	230,100
<i>Cash flows from operating activities:</i>	
Prepays	(68,675)
Operating lease assets and liabilities	3,185
Accounts payable	(1,768)
Accrued liabilities	7,884
Refundable advances	43,084
	213,810
NET CASH PROVIDED BY OPERATING ACIVITIES	109,552
 CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	(70,636)
NET CASH USED IN INVESTING ACTIVITIES	(70,636)
 NET CHANGE IN CASH EQUIVILANTS	 38,916
 CASH AND CASH EQUIVILANTS AT BEGINNING OF YEAR	 <u>1,223,997</u>
 CASH AND CASH EQUIVILANTS AT END OF YEAR	 \$ <u><u>1,262,913</u></u>
 <u>SUPPLEMENTAL INFORMATION:</u>	
Cash paid for interest	\$ <u><u>-</u></u>
Cash paid for income taxes	\$ <u><u>-</u></u>

See accompanying notes to the financial statements

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
NOTES TO FINANCIAL STATEMENTS**

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
NOTES TO FINANCIAL STATEMENTS**

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.

Website Development Costs

Costs incurred to develop the Foundation's website are capitalized and amortized over the estimated useful life, generally three years. Costs related to the design or maintenance of website development and internal-use software are expensed as incurred. The Company periodically reviews capitalized website development costs to determine whether the projects will be completed, placed in service, removed from service, or replaced by other internally-developed or third-party software. If an asset is not expected to provide any future use, the asset is retired and any unamortized cost is expensed.

Capitalized website development costs are included in property and equipment, net within the statement of financial position.

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 and Grants

Contributions and grants are recognized when cash, securities, or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Some grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Assets received with donor-imposed conditions are reported as "Refundable Advances" in the Statements of Financial Position until the conditions have been substantially met.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue and Revenue Recognition

We recognize revenue from sales of advisory and training products and services when the performance obligations of transferring the products and providing the services are met. Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received. We recognize the exchange portion of membership dues over the membership period. Payments are required at the time of start of the membership period; amounts received in advance are deferred to the applicable period.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$6,192 during the fiscal year ended June 30, 2023.

Recent Accounting Pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases*, regarding accounting for leases. The standard aims to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The Foundation adopted the new standard in the fiscal year ended June 30, 2023, which is discussed further in Note 2.

On July 1, 2022, the Conservancy elected to adopt Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements.

NOTE 2 – RESTATEMENT OF THE BEGINNING NET ASSET BALANCE

The Foundation determined that the beginning donor restricted net assets balance should have been accounted for as a refundable advance. It also determined that approximately \$174 thousand of the beginning donor restricted net assets should have been released in prior periods.

NOTE 3 - OPERATING LEASE COMMITMENT

In February 2016, the FASB issued ASU 2016-02 (Topic 842) *Leases*, and has subsequently issued supplemental and/or clarifying ASUs (collectively, “ASC 842”). Topic 842 supersedes the lease requirements in Accounting Standards Codification Topic 840, *Leases*. Under Topic 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. Leases are classified as either financing or operating.

The Foundation adopted Topic 842 effective July 1, 2022, applying this guidance to all leases as of that date using the modified retrospective method. The Foundation elected the practical expedient options of not reassessing (i) expired or existing contracts for whether they are or contain a lease (ii) the lease classification of any existing leases or (iii) initial direct costs for existing leases. The Foundation has also elected the policy exemption allowing lessees to combine lease and non-lease components by class of underlying asset and has applied this expedient to all relevant asset classes.

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - OPERATING LEASE COMMITMENT – Continued

The Foundation leases of office and production space under a non-cancellable lease expiring in October 2025. Future minimum lease payments under these operating leases as of June 30, 2023 were as follows:

	2024	\$	61,707
	2025		62,703
	2026		20,901
Total future minimum lease payments			145,311
Less: imputed interest			(720)
Present value of operating lease liabilities		\$	144,591

Operating leases costs were \$59,717 during the fiscal year ended June 30, 2023. As of June 30, 2023, the weighted-average remaining lease term is 2.3 years, and the weighted average discount rate is 0.38%. The weighted-average discount rate is based on the discount rate implicit in the lease. We have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for the leases.

NOTE 4 - 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 93% of the Foundation’s revenues were provided by The Sacramento Metropolitan Cable Television Commission. During fiscal year ending June 30, 2023 the Foundation received a total of \$1,113,063 from SMCTC for operations and equipment.

NOTE 5 – PROPERTY AND EQUIPMENT, NET

The following is a summary of the Foundation’s property and equipment as of June 30:

Description	Useful Life	2023
Production vans	5 Years	\$ 56,641
HD truck	5 to 7 Years	782,436
Production and office equipment	5 to 10 Years	2,456,523
Website development	3 Years	8,000
Total		3,303,600
Less accumulated depreciation		2,902,140
Property & equipment, net		\$ 401,460

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - 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 fiscal year ended June 30, 2023, the Foundation's contributions to the plan were \$12,557.

NOTE 7 – REFUNDABLE ADVANCES

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, and any unspent funds are to be returned the following year. During fiscal year ending June 30, 2023 the Foundation received PEG grant funding totaling \$380,079 and spent \$311,899 on qualifying expenditures. As of June 30, 2023 the ending refundable advances were \$917,787.

NOTE 8 - 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 following represents the Foundation's financial assets at June 30, 2023:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,262,913
Total financial assets	1,262,913
Less amounts not available to be used within one year, due to:	
Contractual or donor-imposed restrictions:	
Refundable advances	917,787
	917,787
Financial assets available to meet general expenditures within one year	\$ 345,126

NOTE 9 – 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 January 8, 2024, the date the financial statements were available to be issued.