

**SACRAMENTO COMMUNITY CABLE  
FOUNDATION  
DBA ACCESS SACRAMENTO**

**FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 and 2017**

DRAFT

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO**

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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 California Nonprofit Corporation, which comprise the statement of financial position as of June 30, 2018 and 2017, 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 & Beebout, CPA's  
Sacramento, CA  
November 12, 2018

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO**

**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 479,336	\$ 314,304
Cash - Reserve Funds	50,000	50,000
Prepaid other	1,555	-
Furniture and equipment, net	<u>1,150,692</u>	<u>1,136,187</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,681,583</u>	<u>\$ 1,500,491</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable	\$ -	\$ 1,581
Accrued Liabilities	14,671	17,243
Grant Liability	<u>12,500</u>	<u>12,500</u>
<b>TOTAL LIABILITIES</b>	27,171	31,324
 <b>NET ASSETS</b>		
Without donor restrictions	1,227,882	1,207,960
With donor restrictions	<u>426,530</u>	<u>261,207</u>
<b>TOTAL NET ASSETS</b>	1,654,412	1,469,167
 <b>TOAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,681,583</u>	<u>\$ 1,500,491</u>

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO**

**STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2018 and 2017**

	<b>2018</b>			<b>2017</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and Revenue						
SMCTC Grant (Note 3)	\$ 612,343	\$	\$ 612,343	\$ 581,879	\$ -	\$ 581,879
Grants Foundation	26,500		26,500	26,800	-	26,800
PEG Capital & Facilities Grant (Note 7)	-	760,870	760,870	-	786,685	786,685
Interest Income	445		445	282	-	282
Memberships	22,923		22,923	22,037	-	22,037
Film Festival	12,146		12,146	10,050	-	10,050
Underwriting	2,480		2,480	4,165	-	4,165
User/Rental Fees	8,950		8,950	15,091	-	15,091
Training Fees	9,761		9,761	9,921	-	9,921
Contracted Production	19,176		19,176	17,178	-	17,178
Donations	1,162		1,162	2,372	-	2,372
In-Kind Donations	15,000		15,000	15,000	-	15,000
Fundraising	14,547		14,547	1,609	-	1,609
Release of Restriction - Current Year	595,547	(595,547)	-	714,459	(714,459)	-
Total Support and Revenue	<u>1,340,980</u>	<u>165,323</u>	<u>1,506,303</u>	<u>1,420,843</u>	<u>72,226</u>	<u>1,493,069</u>
Operating expenses:						
Program services	1,006,507	-	1,006,507	969,183	-	969,183
Supporting services:						
Administrative	288,197	-	288,197	292,969	-	292,969
Fundraising	26,354	-	26,354	26,940	-	26,940
Total operating expenses	<u>1,321,058</u>	<u>-</u>	<u>1,321,058</u>	<u>1,289,092</u>	<u>-</u>	<u>1,289,092</u>
Change in net assets	19,922	165,323	185,245	131,751	72,226	203,977
Net assets at beginning of year	1,207,960	261,207	1,469,167	1,076,209	188,981	1,265,190
Net assets at end of year	<u>\$ 1,227,882</u>	<u>\$ 426,530</u>	<u>\$ 1,654,412</u>	<u>\$ 1,207,960</u>	<u>\$ 261,207</u>	<u>\$ 1,469,167</u>

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO**

**STATEMENTS OF FUNCTIONAL EXPENSES**

	<b>For the Year Ended June 30, 2018</b>				<b>For the Year ended June 30, 2017</b>			
	<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	\$ 414,653	\$ 159,937	\$ 17,771	\$ 592,361	\$ 403,243	\$ 155,537	\$ 17,282	\$ 576,062
Depreciation	267,451	29,717	-	297,168	249,292	27,699	-	276,991
Equipment and maintenance	214,133	11,270	-	225,403	222,010	11,685	-	233,695
Occupancy	35,335	39,262	3,926	78,523	36,479	40,532	4,053	81,064
Production and programs	41,282	-	-	41,282	21,829	-	-	21,829
Professional services	8,423	19,655	-	28,078	8,482	19,791	-	28,273
Office expense	4,051	16,206	-	20,257	4,489	17,956	-	22,445
Public relations, printing and postage	4,193	4,193	3,595	11,981	4,213	4,213	3,611	12,037
Insurance	747	6,718	-	7,465	1,470	13,229	-	14,699
Conferences, travel and meetings	1,239	1,239	1,062	3,540	2,326	2,327	1,994	6,647
In-kind	15,000	-	-	15,000	15,000	-	-	15,000
Other	-	-	-	-	350	-	-	350
	<u>\$ 1,006,507</u>	<u>\$ 288,197</u>	<u>\$ 26,354</u>	<u>\$ 1,321,058</u>	<u>\$ 969,183</u>	<u>\$ 292,969</u>	<u>\$ 26,940</u>	<u>\$ 1,289,092</u>

See accompanying notes to the financial statements.

**SACRAMENTO COMMUNITY CABLE FOLUNDATION  
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**STATEMENT OF CASH FLOWS**

**For the Year Ended June 30, 2018 and 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 185,245	203,977
<i>Adjustments to reconcile net earnings to cash provided (utilized) by operating activities:</i>		
Depreciation	297,168	276,928
<i>Cash flows from operating activities:</i>		
Prepays	(1,555)	-
Accounts payable	(1,581)	(210,019)
Accrued liabilities	(2,572)	(2,317)
	291,460	64,592
<b>NET CASH PROVIDED (USED) BY OPERATING ACIVITIES</b>	476,705	268,569
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(311,673)	(434,980)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	(311,673)	(434,980)
<b>NET CHANGE IN CASH EQUIVILANTS</b>	165,032	(166,411)
<b>CASH AND CASH EQUIVILANTS AT BEGINNING OF YEAR</b>	364,304	530,715
<b>CASH AND CASH EQUIVILANTS AT END OF YEAR</b>	\$ 529,336	364,304
<b><u>SUPPLEMENTAL INFORMATION:</u></b>		
Cash paid for Interest	\$ -	-
Cash paid for income taxes	\$ -	-

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.

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. According, 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, 2015, 2016, and 2017, are subject to examination by federal and state taxing authorities, generally for three years after they are filed.

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.



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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial Statement Presentation

Under GAAP, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: with restrictions, without restrictions. In addition, the Foundation is required to present a statement of cash flows.

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.

**NOTE 2 - OPERATING LEASE COMMITMENT**

The Foundation leases office and production space under a non-cancelable operating lease expiring in October 2020. Rent expense for the twelve months ended June 30, 2018 was \$55,155. Future minimum rental payments under this operating lease are as follows:

Year Ended June 30	Minimum Rental Payment
2019	\$ 59,717
2020	19,905
	\$ 79,622

**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 93% of the Foundation's revenues were provided by The Sacramento Metropolitan Cable Television Commission. During fiscal year ending June 30, 2018 and 2017 the Foundation received a total of \$1,399,713 and \$1,395,364, respectively, from SMCTC for operations and equipment.

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**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, 2018 and 2017, the Foundation's contributions to the plan were \$14,019 and \$14,542, respectively.

**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.

**NOTE 6 – FIXED ASSETS**

The following is a summary of the foundations furniture and equipment as of June 30:

Description	Useful Life	2018	2017
Production vans	5 Years	\$ 56,641	\$ 56,641
HD truck	5 to 7 Years	782,436	707,744
Production and office equipment	5 to 10 Years	2,288,036	2,051,055
Total		<u>3,127,113</u>	<u>2,815,440</u>
Less accumulated depreciation		<u>1,976,421</u>	<u>1,679,253</u>
Furniture & equipment, net		<u>\$ 1,150,692</u>	<u>\$ 1,136,187</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, 2018 and 2017 the Foundation received PEG grant funding totaling \$760,870 and \$786,685, respectively, and spent \$595,547 and \$714,459, respectively, on qualifying expenditures. As of June 30, 2018 and 2017 the ending net assets with restrictions were \$426,530 and \$261,207, respectively. The Foundation expects to spend the remainder of the funds in the next fiscal year on capital acquisitions.

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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, 2018 and 2017 the accrued vacation was \$14,671 and 17,243, respectively. The paid sick leave policy is non-vesting and no expense or liability is recorded.

**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 November 12, 2018, the date the financial statements were available to be issued.

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