

**AGENDA REGULAR MEETING
PASADENA COMMUNITY ACCESS CORPORATION
Tuesday, February 7, 2023
7:00 p.m. at 150 S. Los Robles Ave., Suite 101**

BOARD OF DIRECTORS

Kim Washington, Vice President (District 1)
Jan Sanders, Treasurer (District 2)
Anna Hawkey Jablonski (District 3)
Les Rivera (District 4)
Vacant (District 5)
Ken Chawkins, President (District 6)
Sally Howell (District 7)
Gail Schaper-Gordon (Mayor's Representative)
Lisa Derderian (City Manager's Representative)
Beth Leyden, Secretary (PUSD Representative)
Alexander Boekelheide (PCC Representative)

STAFF

George Falardeau, Executive Director CEO
Chris Miller, Chief Operating Officer
Bobbie Ferguson, Chief Production Officer
Aaron Wheeler, Director of Community & Content
Liza Rodriguez, Office Administrator/Asst. to the Executive Director CEO

MISSION STATEMENT

The Pasadena Community Access Corporation is dedicated to the community access function of the Pasadena Telecommunications system and shall be operated exclusively for charitable, scientific, literary and educational purposes. In fulfilling these purposes, the corporation shall strive to achieve communication, facilitation, and development of media skills toward the ends of self-expression and community cohesion and improvement.

Item on the agenda may not be called in order listed.

Agendas and supporting documents are available on the Internet at
<http://www.pasadenamedia.org>

Materials related to an item on this Agenda submitted to Pasadena Media after distribution of agenda packet are available for public inspection in the Pasadena Media Administrative office at 150 S. Los Robles Avenue, Suite 101, Pasadena, during normal business hours.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact PCAC at (626) 794-8585. Notification 24 hours prior to the meeting will enable PCAC to make reasonable arrangements to assure accessibility to this meeting.

DISTRIBUTION:

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**NOTICE OF REGULAR MEETING
PASADENA COMMUNITY ACCESS CORPORATION (PCAC)
BOARD OF DIRECTORS**

NOTICE IS HEREBY GIVEN that a regular meeting of the Pasadena Community Access Corporation (PCAC) Operating Company (dba Pasadena Media) is scheduled for **Tuesday, February 7, 2023**, starting at **7:00 p.m.**, at **PCAC** located at **150 S. Los Robles Ave., Ste. 101, Pasadena, CA 91101**.

AGENDA

CLOSED SESSION

- BOARD OF DIRECTORS CONFERENCE REGARDING PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government Code Section 54957

Unrepresented Employee: Executive Director/CEO

PUBLIC MEETING

- INTRODUCTION OF NEW MEMBERS/CALL TO ORDER/ROLL CALL
- APPROVAL OF JUNE 20, 2022 SPECIAL BOARD MEETING MINUTES
 - Motion to Approve
- PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA - Please limit comments to three minutes each.
- TREASURER REPORT
- EXECUTIVE DIRECTOR REPORT
- OLD BUSINESS
- NEW BUSINESS
 - AUDIT PRESENTATION: FY 21-22 PCAC FINANCIAL STATEMENTS AND CLIFTON LARSON ALLEN LLP'S REPORT
 - Information Item
 - CITIZEN'S ADVISORY COMMITTEE UPDATE PRESENTATION – CAC Chair Phil Hopkins
 - Information Item
- ANNOUNCEMENTS BY BOARD MEMBERS AND STAFF
- ADJOURNMENT

Ken Chawkins, President, PCAC Board of Directors

I HEREBY CERTIFY that this notice, in its entirety, was posted on both the Council Chambers Bulletin Board, Room 247, and the Information Kiosk (in the rotunda area), at City Hall, 100 N. Garfield Ave., Pasadena, CA, in Pasadena Community Access Corporation Suite 101, and a copy was distributed to the Central Library for posting on the 3rd day of February, 2023.

Liza Rodriguez, Office Administrator

Pasadena Community Access Corporation (PCAC)

MINUTES FOR THE SPECIAL MEETING OF THE PCAC BOARD OF DIRECTORS FOR June 20, 2022

MEETING HELD VIA ZOOM VIDEO CONFERENCE/TELECONFERENCE.

Special Meeting

1. CALL TO ORDER/ROLL CALL

Board President Sally Howell called the meeting to order at 5:07 p.m.

Board Members Present, Absent or Late, at the time of the call to order:

Kimberly Washington, District 1, Present

Jan Sanders, Treasurer and District 2, Present

Anna Hawkey Jablonski, District 3, Absent

Les Rivera, District 4, Present

Yuny Parada, District 5, Absent

Ken Chawkins, Vice-President and District 6, Present

Sally Howell, Board President and District 7, Present

Gail Schaper-Gordon, Mayor's Representative, Absent

Beth Leyden, PUSD Representative, Present

Alex Boekelheide, PCC Representative, Absent

Lisa Derderian, Secretary, City/City Manager Representative, Absent

Staff:

George Falardeau, Executive Director/CEO, Present

Chris Miller, Chief Operations Officer, Present

Dion O'Connell, Deputy City Attorney, Present

Bobbie Ferguson, Director of Production, Present

Aaron Wheeler, Head of Community Development, Absent

Liza Rodriguez, Office Admin/Asst. to the Executive Director CEO, Present

2. APPROVAL OF MINUTES FOR MARCH 1, 2022 BOARD MEETING

Motion by Chawkins, Second by Sanders. Unanimous vote and no public comment.

3. PUBLIC COMMENT

No public comment.

4. TREASURER'S REPORT

As presented by Treasurer Jan Sanders per Board agenda packet.

Information item only. No action. No public comment.

5. EXECUTIVE DIRECTOR'S REPORT

As presented by ED Falardeau, and staff, per Board agenda packet. Info item only.

No public comment.

6. OLD BUSINESS

None. No public comment.

7. NEW BUSINESS

Action Items

● FY23 PCAC BOARD OFFICER NOMINATIONS AND ELECTION

- Board voted for Ken Chawkins as President, Kim Washington as Vice-President, Jan Sanders as Treasurer and Beth Leyden as Secretary .
- Motion by Rivera. Second by Leyden. Unanimous vote.

● REAPPOINTMENT OF MEMBERS TO PCAC'S CITIZENS ADVISORY COMMITTEE for three-year terms: Justin Chapman, Barry Gordon, Roberta Martinez, Anne Miskey, Martin Sweeney & Ishmael Trone.

- Board approved. Motion by Chawkins. Second by Sanders. Unanimous Vote

8. ANNOUNCEMENTS BY BOARD MEMBERS AND STAFF

9. ADJOURNMENT

Meeting adjourned by Howell at 5:37 p.m.

FUTURE MEETING DATES

- July 5, 2022
- Aug 2, 2022

Pasadena Community Access Corporation
Statement of Financial Position

As of January 31, 2023

| | Total | |
|--|---------------------|-------------------------|
| | As of Jan 31, 2023 | As of Jun 30, 2022 (PP) |
| ASSETS | | |
| Current Assets | | |
| Bank Accounts | | |
| 1010 Petty Cash | 200 | 200 |
| 1120 Bank of America Checking (1018) | 456,800 | 235,853 |
| 1130 Bank of America Capital - Restricted (9451) | 569,551 | 474,874 |
| 1160 Paypal | 1,081 | 1,000 |
| 1170 PFCU Savings (7181) | 123,961 | 123,930 |
| Total Bank Accounts | \$ 1,151,593 | \$ 835,857 |
| Accounts Receivable | | |
| 1200 Accounts Receivable | 1,100 | 100 |
| Total Accounts Receivable | \$ 1,100 | \$ 100 |
| Other Current Assets | | |
| 1190 Undeposited Funds | 0 | 200 |
| 1330 Prepaid Insurance | 279 | 10,384 |
| Total Other Current Assets | \$ 279 | \$ 10,584 |
| Total Current Assets | \$ 1,152,973 | \$ 846,541 |
| Fixed Assets | | |
| 1600 Production Equipment | 437,419 | 437,419 |
| 1635 Leasehold Improvements | 93,898 | 93,898 |
| 1650 Accumulated Depreciation | -375,642 | -375,642 |
| 1660 Accumulated Depreciation - LHI | -70,423 | -70,423 |
| Total Fixed Assets | \$ 85,251 | \$ 85,251 |
| Other Assets | | |
| 1800 Security Deposit | 12,420 | 12,420 |
| Total Other Assets | \$ 12,420 | \$ 12,420 |
| TOTAL ASSETS | \$ 1,250,643 | \$ 944,212 |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Credit Cards | | |
| 2050 Chase Visa Credit Card | 2,487 | 7,964 |
| 2060 Divvy Credit Card | -1,161 | 57 |
| Total Credit Cards | \$ 1,326 | \$ 8,020 |
| Other Current Liabilities | | |
| 2100 Payroll Liabilities | -9,971 | 24,320 |
| 2200 Accrued Vacation | -18,031 | 30,259 |
| 2800 Deferred Income | 569,551 | 474,874 |
| Total Other Current Liabilities | \$ 541,549 | \$ 529,454 |
| Total Current Liabilities | \$ 542,875 | \$ 537,474 |
| Total Liabilities | \$ 542,875 | \$ 537,474 |
| Equity | | |
| 3000 Opening Bal Equity | -36,271 | -36,271 |
| 3100 Retained Earnings | 443,009 | 443,009 |
| Net Income | 301,030 | |
| Total Equity | \$ 707,768 | \$ 406,738 |
| TOTAL LIABILITIES AND EQUITY | \$ 1,250,643 | \$ 944,212 |

Pasadena Community Access Corporation

Pro Forma P&L - January 2023

FY 2023 YTD Actual vs FY 2023 Adopted Budget

| | | vs. 7 mo. Budget | | | vs. Full Year Budget | | |
|--------------------------------|----------------|------------------|----------------|--------------|----------------------|------------------|---------------|
| | YTD Actual | YTD Budget | \$ | % | FY22 Budget | \$ | % |
| Income | | | | | | | |
| City of Pasadena | 789,000 | 789,000 | - | 0.0% | 1,052,000 | (263,000) | -25.0% |
| Contributions & Grants | 4,518 | 4,667 | (148) | -3.2% | 8,000 | (3,482) | -43.5% |
| Production Services | 3,145 | 8,167 | (5,022) | -61.5% | 32,000 | (28,855) | -90.2% |
| Program Services | 3,325 | 4,300 | (975) | -22.7% | 8,000 | (4,675) | -58.4% |
| Other Revenue | 31 | 583 | (552) | -94.6% | 1,000 | (969) | -96.9% |
| Total Income | 800,019 | 806,717 | (6,697) | -0.8% | 1,101,000 | (300,981) | -27.3% |
| Expenses | | | | | | | |
| Payroll Expenses | 341,856 | 354,291 | 12,435 | 3.5% | 614,104 | 272,248 | 44.3% |
| Payroll Taxes | 27,090 | 31,178 | 4,088 | 13.1% | 54,041 | 26,951 | 49.9% |
| Employee Benefits | 55,901 | 69,865 | 13,963 | 20.0% | 112,589 | 56,688 | 50.3% |
| Occupancy Expenses | 111,062 | 137,507 | 26,445 | 19.2% | 227,924 | 116,862 | 51.3% |
| Accounting & Audit | 9,965 | 14,695 | 4,730 | 32.2% | 16,945 | 6,980 | 41.2% |
| Advertising & Marketing | 1,307 | 1,750 | 444 | 25.3% | 3,000 | 1,694 | 56.5% |
| Automobile Expense | 460 | 846 | 386 | 45.7% | 1,450 | 990 | 68.3% |
| Bank & Payroll Processing Fees | 826 | 992 | 166 | 16.7% | 1,700 | 874 | 51.4% |
| Board Materials & Expenses | 5 | 70 | 65 | 92.6% | 120 | 115 | 95.7% |
| Cable Drop Fees | 1,491 | 1,372 | (119) | -8.7% | 9,263 | 7,772 | 83.9% |
| Contract Labor | 1,338 | 700 | (638) | -91.1% | 1,200 | (138) | -11.5% |
| Dues and Subscriptions | 2,190 | 3,500 | 1,310 | 37.4% | 3,500 | 1,310 | 37.4% |
| Legal & Professional Fees | - | - | - | | 20,000 | 20,000 | 100.0% |
| Licenses, Permits & Other Fees | - | 20 | 20 | 100.0% | 174 | 174 | 100.0% |
| Meals & Entertainment | 1,619 | 1,015 | (604) | -59.6% | 1,740 | 121 | 6.9% |
| Office Expense | 7,365 | 4,375 | (2,990) | -68.3% | 7,500 | 135 | 1.8% |
| Production Expense | 8,083 | 13,790 | 5,708 | 41.4% | 21,000 | 12,917 | 61.5% |
| Professional Development | 275 | 1,225 | 950 | 77.6% | 2,100 | 1,825 | 86.9% |
| Travel & Lodging | 662 | 900 | 238 | 26.4% | 2,650 | 1,988 | 75.0% |
| Total Expenses | 571,494 | 638,090 | 66,596 | 10.4% | 1,101,000 | 529,506 | 48.1% |
| Net Operating Income | 228,525 | 168,627 | 59,899 | 35.5% | - | 228,525 | |
| | | | | | | | |
| PEG Capital Income Recognized | - | 110,833 | (110,833) | -100.0% | 190,000 | (190,000) | -100.0% |
| | | | | | | | |
| PEG Capital Equipment Expense | - | 110,833 | 110,833 | 100.0% | 190,000 | (190,000) | -100.0% |
| | | | | | | | |

PCAC Administrative Report – June 2022 - Jan 2023

Respectfully submitted by George Falardeau, Chris Miller, Aaron Wheeler & Bobbie Ferguson

- After almost three years the City has resumed in-person city council, commission and committee meetings. Throughout this period Pasadena Media has continued to support virtual city council and commission meetings as requested. The PCAC Board's last in-person meeting was in March 2020 and our last virtual meeting was in June 2022. Effective this month, Pasadena Media will commence its monthly in-person board meetings and will continue to support the City in its public health guidelines and announcements.
- Pasadena Media Board President Ken Chawkins and ED CEO George Falardeau met with various stakeholders within the city over the last several months to update them on Pasadena Media's status and new programming. Those stakeholders include State Assemblymember Chris Holden, Pasadena Mayor Victor Gordo, former Councilmember Andy Wilson, Councilmember Gene Masuda and his Field Rep. Noreen Sullivan, Councilmember Tyron Hampton, and CEO of the Convention Center Mike Ross. These information meetings will continue throughout the year.
- ED CEO attended various meetings and events within the city including Pasadena Rotary's Shop with a Cop event, City Manager Welcome Reception at City Hall, University Club Quarterly Business Mixer, Friendraiser in support of the University Club of Pasadena Education Foundation, Memorial Service for Councilmember John Kennedy, Latino Heritage Parade (with special thanks to Pasadena Media Board member Les Rivera for taking part in the parade as Pasadena Media's representative), Police Foundation Annual Chief's Breakfast, Kiwanis 100th Anniversary Gala, Rotary Walk for Polio, Reception for Congressman Jim Clyburn, Pasadena's Veterans Day event, Mayor's Annual Tree Lighting Ceremony, Bill & Claire Bogaard City Hall Courtyard Dedication Ceremony, Pasadena Chamber of Commerce President's Breakfast for Tournament of Roses President Amy Wainscott, Mayor Gordo's Holiday Party, Dolores Hickambottom Memorial, and attended 2023 Rose Parade with former board member Ann Marie Hickambottom. In addition, ED CEO met with Pasadena resident Martin Gordon, San Rafael Neighborhood Association (SRNA) President Robin Salzer, former Mayor Bill Bogaard, PCAC CAC member Mic Hansen, and former City Manager of South Pasadena Stephanie DeWolfe.
- ED CEO continues to support and promote the leadership growth of Pasadena Media's senior administration team by enrolling them in the Leadership Pasadena program and approving Chris Miller's inclusion on the Alliance for Community Media's West Region Board of Directors. Currently Chief Production Officer Bobbie Ferguson is enrolled in the Class of 2023, while Chief Operating Officer Chris Miller graduated from the Class of 2022 and Director of Community & Content Aaron Wheeler is an alumnus of the Class of 2020.

- ED CEO consolidated his individual Pasadena Rotary club membership to a corporate membership allowing senior team members to join the Rotary, attend meetings and participate in Rotary projects.
- Implemented a cost-saving measure by eliminating a part-time position bringing our headcount down to 11 full-time employees with an annual savings of approx. \$38K. In addition, replaced departing employees with 2 new staff employees. Completed our annual financial statements with one material change: identified PEG funds as income as opposed to deferred income.
- ED CEO attended various in-person and virtual meetings: The Rotary Program Committee, Kiwanis Board Meetings, Rotary Luncheons, San Rafael Neighborhood Association (SRNA) Board Meetings, Pasadena Chamber Legislative and Government Affairs Committee, Rotary Global Scholarship Grant Committee (to be announced), the Pasadena Executive Round Table (PERT), and the West Pasadena Residents' Association (WPRA) 2022 Annual Meeting at Maranatha High School.
- Annual Performance Appraisals for all employees of Pasadena Media were completed. Given our annual savings due to the headcount reduction, we were able to give a 3% cost-of-living increase to all staff with the exception of ED CEO. In the staffing review, we changed the titles for two senior staff members to better reflect their responsibilities. Bobbie Ferguson is the Chief Production Officer and Aaron Wheeler is the Director of Community & Content.
- Received awards for several projects including LA Press Club 3rd place award for *NewsRap Local* with Justin Chapman in Talk/Public Affairs – Television/Film. Chief Production Officer Bobbie Ferguson also received a Certificate of Community Service award at the 49th Police and Citizens Awards Ceremony held at the Ambassador Auditorium.
- Director of Community & Content Aaron Wheeler attended the 3-day Alliance for Community Media (ACM) Conference in Chicago, Illinois, to represent Pasadena Media.
- Revamped our program *NewsRap Local* to a new format called *Pasadena Monthly* hosted by Councilmember Steve Madison's District 6 Liason Justin Chapman. The program airs weekly on Friday at 5 pm on the Arroyo channel with new episodes airing on the 4th Friday of each month.
- Pasadena Media continues to enhance our partnership with the City of Pasadena to significantly increase utilization and reliance on Pasadena Media's services, both internally and externally, with expanded programming on KPAS and the City's social media platforms.
- Re-opened in-studio productions along with virtual and in-person training for the community and opened the podcasting studio.

- Participated in a California Humanities Youth Podcasting grant project in partnership with Muir High School, Rose City High School, Pasadena Educational Foundation, and STARS.
- Successfully completed a season of *Arroyo Live* with various guests and topics as it relates to the city.
- Expanded Pasadena Media's social media presence by launching our TikTok platform. Pasadena Media's YouTube channel had over 82,000 views and gained 307 subscribers during the last year.
- Planning our marketing campaign for our 40th anniversary this December 9, 2023.
- ED & COO has completed the AB 1234 Ethics Training.

Attached: Cable Complaints, Operations Report, Community & Content Report and Production Services Report

Operations Report – June 2022 - January 2023

Respectfully submitted by Chris Miller, Chief Operating Officer

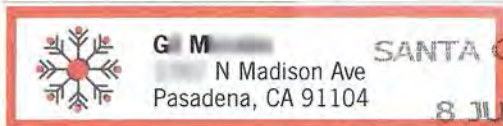
- **UPDATE - Threat to Franchise Fees & PEG: Ongoing**
The Protecting Community Television Act is expected to be reintroduced this month. We will work with our colleagues around the state to get our congressional representatives back on board as co-signers.
- **UPDATE - Charter Quality Issues: Ongoing**
We purchased and installed a new RF modulator that handles signals for multiple channels over IP, which solved much of the ongoing quality issues on Charter. The remaining issues stem from the use of an antiquated technology on an aging and nearly unsupported copper institutional network. Channels on AT&T, our OTT apps, and our website are unaffected.
- **New Studio Lighting Control Console: Installed**
After determining that there are no longer parts to repair the console purchased in 2013, we purchased and installed a new console to keep the studio operational.
- **Alliance for Community Media West: Joined Board & Serving On Conference Cmte.**
I joined the board of directors in July and am heading up the A/V subcommittee for the conference to be held in Santa Barbara from February 22-24. Details can be found at acmwest.org. Since we have a couple large productions on those days, I will be the sole attendee from our staff. We are also a finalist for five WAVE Awards.
- **PEG Request: To Be Determined**
As a reminder, we intend to request PEG funds in the next few months to replace the previously-sold 1980 production truck and 2003 cargo van with a new multipurpose vehicle. While plans are being formulated, the channel managers will meet to discuss additional needs before bringing a formal request to the Board.
- **Summer & Winter Hiatus Maintenance: Completed**
We were closed to the public for studio productions and editing during the latter parts of June and December. Typically we use this time to perform routine maintenance and take care of any outstanding repairs. Tasks included a thorough cleaning of our storage areas and resetting studio configurations.
- **Fiber Issue Sept 8: Completed**
Sometime between 8:30 and 8:50 on 9/8, we lost our fiber connection with City Hall so all 3 channels were frozen on Charter, as well as the KPAS feed on cityofpasadena.net. City Dept. of IT (DoIT) staff determined that a cable in another building had been unintentionally damaged by a third party. The damaged portion of the cable was removed and the fiber was then rerouted and fused together in an effort to make this scenario less likely in the future. Channels on AT&T, our OTT apps, and our website are unaffected.

- Studio Coordinator Hiring: Completed
We filled the part-time Studio Coordinator position in late September. Jeffrey Stanfill joins us with a background in government access and commercial television production. Jeffrey was promoted to a full time position after just six weeks with us.
- Return to In-Person City Council & Commission Meeting Coverage: Ongoing
DoIT staff worked with us and a consultant to replace the failing council chamber audio system in the fall. In December and January, we developed workflows for and began conducting in-person meetings in the chamber. These workflows are a more robust solution for hybrid meetings than we had in place during the pandemic and continue to allow for both in-person and remote audiovisual participation. As during the pandemic, we continue to support all City Council committee meetings. However, we now assist with *all* public meetings that take place in the chamber. This coverage increase marks the first time that several commission meetings are regularly scheduled for air on KPAS. It also increases our KPAS workplan and we will address ongoing needs in the upcoming budget cycle.

7/7/2022 | G M ACCOUNT # 8245

SPECTRUM I MEKE COMPLAINT SPECTRUM DELINQUENT
THE CONTRAT WAS \$88.96 A. MONTHLY FOR TWO DOS AÑOS
NOW CURRENT CHARGES \$11702 PROGRAM SERVICES NO GOOD

ALL THE TIME IM GOING TO SEE A MOVIE Y EID ONE MONTE PLEASE
ONE MONTE PLEASE NEVER SEE THE MOVIE ALL THE TIME ADVERTAISE A
NEVER PUT THE MOVIE IN THE TV. THEY LAIR I PAID FOR GOOD
SERVICE DAD SERVICES PROGRAMENT THANKYO TO GELME-G



SANTA CLARITA CA 913

8 JUL 2022 PM 5 L



FRANCHISE ADMINISTRATOR
CITY OF PASADENA 1505 LOS ROBLES
SUITE 101 PASADENA CA 91102

91102-999955





RE: [EXTERNAL] Cable Complaint: W***, D***** 202209**

1 message

Regulatory.Complaints

To: "chris@pasadenamedia.org"

Tue, Oct 4, 2022 at 9:05 AM

Good Morning –

We have spoken with Ms. W***** and she is satisfied with the credit of \$19.99 that has been applied to her account. She considers the matter resolved.

Please do not hesitate to contact us with any further questions.

Regards,

Bill



William C. Wesselman | Sr. Director, Law - Regulatory

6360 S Fiddlers Green Circle | Greenwood Village CO 80111

From: Chris Miller <chris@pasadenamedia.org>

Sent: Monday, September 26, 2022 7:22 PM

To: Corporate Escalations

We received the attached letter in the mail today. Please contact the customer regarding her concerns. Thank you.

Chris Miller

Chief Operating Officer

Pasadena Media

150 S. Los Robles Ave., Suite 101

Pasadena, CA 91101

626-794-8585 x 105

To: California Public Utilities Commission
Consumer Affairs Branch
505 Van Ness Avenue
Room 2003
San Francisco, Ca. 94102

From: D [REDACTED] W [REDACTED]

[REDACTED] Toolen pl.

Pasadena, Ca. 91103

RE: Spectrum account 8245 [REDACTED]

I have internet and landline phone service with Spectrum. I called weeks ago to try and get monthly internet amount reduced.

After speaking to one gentleman who kept me on the phone with him for extremely long time using up much of my day pretending, he was checking into ways to assist me. In the meantime, he continuously probed me for personal information trying to get me to add mobile service and/or cable television. I repeatedly asked him is he going to be able to assist me and he just fed me some garbage about entering request into system is the reason it was taking so long. Once he realized how frustrated I was getting he blindly transferred me to this other gentleman who started feeding me the same garbage and kept me on the phone even longer using up a lot of my time. They both already knew they was not going to help me reduce my bill from the beginning of the conversations.

When he finally was convinced, he could not make me sign up for other services he said I will increase your internet speed to 500 for 12 months for no additional charge.

I told him so much of my day has passed without being helped and that is all I can get I will accept. I repeatedly asked him to assure me I would not get charged any fee for this. He assured me I would not.

I received my monthly statement dated September 13, 2022, and there it has a one-time service activation charge for \$19.99 dated September 1, 2022. I have enclosed copy of statement.

I am very frustrated and upset after losing so much time trying to get assistance and ended up being billed for something I did not request in the 1st place.

I want this credited back to my account and I know the calls are recorded to back up my claim.

Thank you [REDACTED]

[REDACTED] September 23, 2022

Community Development Report – June 2022

Respectfully submitted by Aaron B. Wheeler, Director of Community & Content

| MEMBERS | New Volunteers (Free) Current Total | Active Trainees & Producers (Paid) Current Total |
|---------------------------|--|---|
| 2022 Season 1 (June) | 3 | 29 |
| 2022 Season 1 (Mar - May) | 6 | 29 |

| PROGRAMMING | New Series | Local Episodes | Bicycled Episodes | Community Productions in Progress |
|---------------------------|------------|----------------|-------------------|-----------------------------------|
| 2022 Season 1 (June) | 3 | 34 | 15 | 29 |
| 2022 Season 1 (Mar - May) | 5 | 82 | 40 | 29 |

| TRAINING | Orientation | Other Classes |
|---------------------------|-------------|---------------|
| 2022 Season 1 (June) | 2 | 3 |
| 2022 Season 1 (Mar - May) | 18 | 12 |

Total Membership Class Enrollments for 2022: 17

Community Development:

- **Membership and Community Connections**
 - Renewing community membership for new Season Two of 2022
 - Preparing for In-studio community productions
 - Community developing community partnership and maintaining current relationships.
- ***NewsRap Local* with Justin Chapman wins 3rd place at the Los Angeles Press Club's 64th Southern California Journalism Awards**
- **Aaron B. Wheeler represented Pasadena Media at the Alliance for Community Media's national conference and attended seminars including:**
 - Exploring Training Models
 - Making an Economic Impact in Your Community
 - Devising the Ultimate Social Media Content Strategy: Using Canva

Social Media Analytics

| Facebook Page | June 2022 | Mar - May 2022 | Year To Date | Definition |
|---------------|-----------|----------------|--------------|---|
| Reach | 24,761 | 23,117 | 55,842 | The number of unique individuals who have actually seen any content related to your Facebook Page. |
| Views | 122 | 130 | 404 | The total number of times your Facebook Page was viewed. |
| Engagement | 768 | 186 | 1,302 | A Like, Comment, Share or click received on a post from your Page. |
| Clicks | 2,050 | 750 | 2,452 | The number of clicks on links within the ad/post that led to destinations or experiences, on or off Facebook. |
| Likes | 19 | 7 | 37 | People who Like your Facebook Page. |

| YouTube Channel | June 2022 | Mar - May 2022 | Year To Date | Definition |
|-----------------|-----------|----------------|--------------|---|
| Views | 4,838 | 14,066 | 33,398 | The total number of times the YouTube channel was viewed during the time period you select. |
| Comments | 0 | 41 | 54 | The number of comments received on the channel. |
| Likes | 1 | 163 | 303 | People who Like a video in your channel. |
| Subscribers | 18 | 31 | 107 | People who have chosen to “follow” your channel to stay updated with your latest videos. |

| Instagram | Followers | Reach | | TikTok | Followers | Likes | | Twitter | Followers |
|-----------|-----------|-------|--|--------|-----------|-------|--|---------|-----------|
| | 3,821 | 380 | | | 9 | 15 | | | 2,129 |

Community Development Report – July - September 2022

Respectfully submitted by Aaron B. Wheeler, Director of Community & Content

| MEMBERS | New Volunteers (Free) Current Total | Active Trainees & Producers (Paid) Current Total |
|-----------------------------|--|---|
| 2022 Season 2 (July - Sept) | 10 | 25 |
| 2022 Season 1 (June) | 3 | 29 |

| PROGRAMMING | New Series | Local Episodes | Bicycled Episodes | Community Productions in Progress |
|-----------------------------|------------|----------------|-------------------|-----------------------------------|
| 2022 Season 2 (July - Sept) | 15 | 87 | 64 | 25 |
| 2022 Season 1 (June) | 3 | 34 | 15 | 29 |

| TRAINING | Orientation | Other Classes |
|-----------------------------|-------------|---------------|
| 2022 Season 2 (July - Sept) | 10 | 27 |
| 2022 Season 1 (June) | 2 | 3 |

Total Membership Class Enrollments for 2022: 44

Community Development:

- **Membership and Community Connections**
 - Connect With Your Audience: Presentation Skills for Stage and Camera
 - A four-day workshop exploring the foundation of connecting with audiences on stage, on camera, and on social media
- **Hired New Studio Coordinator**

Social Media Analytics

| Facebook Page | July-Sept 2022 | June 2022 | Year To Date | Definition |
|---------------|----------------|-----------|--------------|---|
| Reach | 11,674 | 24,761 | 67,516 | The number of unique individuals who have actually seen any content related to your Facebook Page. |
| Views | 130 | 122 | 534 | The total number of times your Facebook Page was viewed. |
| Engagement | 186 | 768 | 1488 | A Like, Comment, Share or click received on a post from your Page. |
| Clicks | 136 | 2,050 | 2,588 | The number of clicks on links within the ad/post that led to destinations or experiences, on or off Facebook. |
| Likes | 7 | 19 | 44 | People who Like your Facebook Page. |

| YouTube Channel | June 2022 | July-Sept 2022 | Year To Date | Definition |
|-----------------|-----------|----------------|--------------|---|
| Views | 4,838 | 14,066 | 33,398 | The total number of times the YouTube channel was viewed during the time period you select. |
| Comments | 0 | 41 | 54 | The number of comments received on the channel. |
| Likes | 1 | 163 | 303 | People who Like a video in your channel. |
| Subscribers | 18 | 31 | 107 | People who have chosen to “follow” your channel to stay updated with your latest videos. |

| Instagram | Followers | Reach | TikTok | Followers | Likes | Twitter | Followers |
|-----------|-----------|-------|--------|-----------|-------|---------|-----------|
| | 3,851 | 375 | | 9 | 15 | | 2,132 |

Community Development Report – October - December 2022

Respectfully submitted by Aaron B. Wheeler, Director of Community & Content

| MEMBERS | New Volunteers (Free) Current Total | Active Trainees & Producers (Paid) Current Total |
|-----------------------------|--|---|
| 2022 Season 2 (Oct - Dec) | 7 | 25 |
| 2022 Season 2 (July - Sept) | 10 | 25 |

| PROGRAMMING | New Series | Local Episodes | Bicycled Episodes | Community Productions in Progress |
|-----------------------------|------------|----------------|-------------------|-----------------------------------|
| 2022 Season 2 (Oct - Dec) | 21 | 131 | 59 | 25 |
| 2022 Season 2 (July - Sept) | 15 | 87 | 64 | 25 |

| TRAINING | Orientation | Other Classes |
|-----------------------------|-------------|---------------|
| 2022 Season 2 (Oct - Dec) | 2 | 3 |
| 2022 Season 2 (July - Sept) | 10 | 27 |

Total Membership Class Enrollments for 2022 Total Year: 46

Community Development:

- **Membership and Community Connections**
 - Pasadena Media's Annual Winter Holiday Party
- **Production**
 - In Development: *NetZero with Greg Apodaca* - A show about climate change and sustainability efforts

Staff Development:

- Updated Technical Production Training
- Pasadena Media's Annual Winter Holiday Party

Social Media Analytics

| Facebook Page | Oct - Dec 2022 | July - Sept 2022 | Year To Date | Definition |
|---------------|----------------|------------------|--------------|---|
| Reach | 17,825 | 11,674 | 85,341 | The number of unique individuals who have actually seen any content related to your Facebook Page. |
| Views | 476 | 130 | 1,010 | The total number of times your Facebook Page was viewed. |
| Engagement | 1,053 | 186 | 2,541 | A Like, Comment, Share or click received on a post from your Page. |
| Clicks | 736 | 136 | 3,324 | The number of clicks on links within the ad/post that led to destinations or experiences, on or off Facebook. |
| Likes | 20 | 7 | 64 | People who Like your Facebook Page. |

| YouTube Channel | Oct - Dec 2022 | July - Sept 2022 | Year To Date | Definition |
|-----------------|----------------|------------------|--------------|---|
| Views | 14,066 | 4,838 | 33,398 | The total number of times the YouTube channel was viewed during the time period you select. |
| Comments | 41 | 0 | 54 | The number of comments received on the channel. |
| Likes | 163 | 1 | 303 | People who Like a video in your channel. |
| Subscribers | 31 | 18 | 107 | People who have chosen to "follow" your channel to stay updated with your latest videos. |

| Instagram | Followers | Reach | TikTok | Followers | Likes | Twitter | Followers |
|-----------|-----------|-------|--------|-----------|-------|---------|-----------|
| | 4,086 | 1,088 | | 60 | 15 | | 2,135 |

Community Development Report – January 2023

Respectfully submitted by Aaron B. Wheeler, Director of Community & Content

| MEMBERS | New Volunteers (Free) Current Total | Active Trainees & Producers (Paid) Current Total |
|---------------------------|--|---|
| 2023 Season 1 (Jan) | 1 | 23 |
| 2022 Season 2 (Oct - Dec) | 7 | 25 |

| PROGRAMMING | New Series | Local Episodes | Bicycled Episodes | Community Productions in Progress |
|---------------------------|------------|----------------|-------------------|-----------------------------------|
| 2023 Season 1 (Jan) | 7 | 22 | 41 | 23 |
| 2022 Season 2 (Oct - Dec) | 21 | 131 | 59 | 25 |

| TRAINING | Orientation | Other Classes |
|---------------------------|-------------|---------------|
| 2023 Season 1 (Jan) | 3 | 6 |
| 2022 Season 2 (Oct - Dec) | 2 | 3 |

Total Membership Class Enrollments for 2023: 9

Community Development:

- **Productions**
 - In Production: *Pasadena Monthly* with Justin Chapman
 - In Development: *Pan & Zoom* hosted by Satie Gossett - An inside look at the creative minds of Hollywood, from Legends to Up 'n' Comers will include a special Q&A session for members only - Monthly production
- **Trainings**
 - In Progress: New 2-day basic training production workshop
 - In Development: The Digital Media Academy - 16-week program
- **Membership and Community Connections**
 - Renewing community membership for new Season One of 2023
 - Developing community partnership and maintaining current relationships
- **Staff Development**
 - Annual Job Evaluation for Studio Coordinators
- **Grant Submission**
 - California Arts Council's Creative Youth Development program
 - Grant suggested by Kim Washington, Vice President and District 1 Rep.
 - Submitted by COO Chris Miller and Dir. Community & Content Aaron B. Wheeler
 - Eligible applicants can request up to \$40,000 for the two-year grant period.
 - More info at arts.ca.gov/grant_program/creative-youth-development

Social Media Analytics

| *Facebook Page | Jan 2023 | Oct - Dec 2022 | Definition |
|----------------|----------|----------------|---|
| Reach | 11,029 | 17,825 | The number of accounts that saw and interacted with any content from your Page including posts, stories, ads, social information. |
| Visits | 129 | 476 | The total number of times your Facebook Page was viewed. |
| Likes | 13 | 20 | A Like, Comment, Share or click received on a post from your Page. |

| *Instagram | Jan 2023 | Oct - Dec 2022 | Definition |
|------------|----------|----------------|--|
| Reach | 781 | 4,086 | The number of unique accounts that saw any of your posts or stories at least once. |
| Visits | 80 | 279 | The total number of times your Profile was viewed. |
| *Followers | 29 | 50 | The number of accounts that started following your account. |

*Meta's new analytics for Facebook and Instagram platforms has changed reporting from previous years.

| YouTube Channel | Jan 2023 | Oct - Dec 2022 | Definition |
|-----------------|----------|----------------|--|
| Views | 25,436 | 14,066 | The total number of times the YouTube channel was viewed during the time period. |
| Likes | 173 | 163 | People who Like a video in your channel. |
| Subscribers | 82 | 31 | People who have chosen to “follow” your channel to stay updated with your latest videos. |

| TikTok | Followers | Likes | Twitter | Followers |
|--------|-----------|-------|---------|-----------|
| | 62 | 20 | | 2,141 |

Production Report – June 2022

Respectfully submitted by Bobbie Ferguson, Chief Production Officer

| Type of Production | June |
|---|------|
| Member Productions & Preproduction Meetings | 7 |
| Arroyo Originals - Studio | 5 |
| Arroyo Originals - Field (Includes <i>PMN</i>) | 7 |
| KPAS/City Productions | 21 |
| Pro Services | 2 |
| Special Projects | 1 |

Program Highlights:

- Pasadena Media provided coverage for two events celebrating Pride Month at Pasadena City Hall.
- Pasadena Media interviewed longtime Pasadena resident and centenarian Mother Dixon to talk about her life and legacy.
- Pasadena Media livestreamed the West Pasadena Residents' Association Annual Conference and panel discussion about "Pasadena's Tech Revolution" at Maranatha High School.
- Pasadena Media covered the unveiling of a historic monument in recognition of Pasadena's diversity at 10 West Walnut hosted by District 3 Councilmember John Kennedy.
- In partnership with the Pasadena Public Health Department, Pasadena Media produced a public service announcement for World Elder Abuse Awareness Day.
- Pasadena Media captured the One City, One Story summer edition at Robinson Park Recreation Center with author Eric Nusbaum discussing his book *Stealing Home: Los Angeles, the Dodgers and the Lives Caught in Between*.
- On June 18th, Pasadena Media captured three community events: the City's Juneteenth Celebration, the Pasadena Police Department Classic Car Show, and the Pasadena Chalk Festival.
- In preparation for the July 4th celebrations around Pasadena and at the Rose Bowl, Pasadena Media provided coverage of the annual Phos-Chek Press Conference.
- Chief Production Officer Bobbie Ferguson received a Certificate of Community Service at the 49th Police and Citizens Awards Ceremony held at the Ambassador Auditorium.

Production Report – July - September 2022

Respectfully submitted by Bobbie Ferguson, Chief Production Officer

| Type of Production | July | August | September |
|---|------|--------|-----------|
| Member Productions & Preproduction Meetings | 15 | 4 | 13 |
| Arroyo Originals - Studio | 6 | 4 | 5 |
| Arroyo Originals - Field (Includes <i>PMN</i>) | 7 | 5 | 4 |
| KPAS/City Productions | 15 | 14 | 26 |
| Pro Services | 2 | 2 | 0 |
| Special Projects | 1 | 0 | 0 |

Program Highlights:

- Pasadena Media livestreamed Councilmember John Kennedy's Memorial at City Hall and created a slideshow to playback during the event.
- Pasadena Media covered the press conference introducing the new City Manager Miguel Márquez.
- Pasadena Media interviewed a large number of celebrities and VIPs on the red carpet and had full access at the Rose Bowl Party of the Century.
- Pasadena Media partnered with Councilmember Felicia Williams to create a PSA to educate residents about Pasadena's food waste recycling program and the new composting law, SB 1383.
- Pro Services: For a second year, Pasadena Media produced the 2022 Luminaries recognition video at Pasadena Symphony and Pops' Annual Moonlight Sonata Gala.
- Pro Services: Pasadena Media produced two videos showcasing the winners of University Club scholarships.
- Pasadena Media covered both the Playhouse Village Park Grand Opening and the Robinson Park Pool Groundbreaking.
- Pasadena Media covered two boxing events at City Hall: the Centennial Square Boxing Show 2022 and the Battle for Mental Health.
- Pasadena Media produced a watering schedule PSA with Pasadena Water and Power's new Assistant General Manager Stacie Takeguchi.
- Pasadena Media started production on the Pasadena Public Health Department's 130th Anniversary documentary.

Production Report – October - December 2022

Respectfully submitted by Bobbie Ferguson, Chief Production Officer

| Type of Production | October | November | December |
|---|---------|----------|----------|
| Member Productions & Preproduction Meetings | 14 | 13 | 0 |
| Arroyo Originals - Studio | 3 | 5 | 5 |
| Arroyo Originals - Field (Includes <i>PMN</i>) | 10 | 13 | 10 |
| KPAS/City Productions | 30 | 16 | 10 |
| Pro Services | 1 | 1 | 2 |
| Special Projects | 0 | 0 | 1 |

Program Highlights:

- Pasadena Media covered both the Tournament of Roses Grand Marshal Announcement and the Rose Queen Coronation.
- Pasadena Media recorded community meetings for Districts 1, 4, and 6.
- Pasadena captured three City press conferences: Halloween Safety, New Year's Rose Parade and Game Public Safety, and the introduction of the new Police Chief and Pasadena Water and Power General Manager.
- Pasadena Media partnered with Councilmember Felicia Williams to produce a PSA about electric vehicle charging stations in Pasadena.
- Pasadena Media covered the Pasadena City Hall Courtyard Dedication honoring Bill and Claire Bogaard.
- Pasadena Media recorded the Mayor's Annual Holiday Tree Lighting Ceremony for later playback.
- For a second year, Pasadena Media produced volunteer training videos for the 2023 Pasadena Homeless Count.
- Pasadena Media livestreamed the swearing in ceremony for city councilmembers Jess Rivas and Jason Lyon.
- Pasadena Media went live with the Latino Heritage Parade and highlighted a number of community events for Latino Heritage Month.
- Pasadena Media created short highlight videos for the following community events: Jefferson Campus Open House, Adaptive Sports Festival, Operation Gobble Gobble, Lamanda Pocket Park Ribbon Cutting, Mejor Salud Mejor Vida, La Pintoresca Giggles and Screams, and Dia de Los Muertos.
- Pasadena Media livestreamed the 2022 Veterans Day Ceremony.

Production Report – January 2023

Respectfully submitted by Bobbie Ferguson, Chief Production Officer

| Type of Production | January |
|---|---------|
| Member Productions & Preproduction Meetings | 6 |
| Arroyo Originals - Studio | 3 |
| Arroyo Originals - Field (Includes <i>PMN</i>) | 6 |
| KPAS/City Productions | 21 |
| Pro Services | 3 |
| Special Projects | 0 |

Program Highlights:

- Pasadena Media rang in the new year with coverage of the 2023 Rose Parade.
- Pasadena Media followed volunteers at the 2023 Pasadena Homeless Count over two days to produce promotional materials for the organization and a 15-minute documentary.
- Pasadena Media will produce a three-video series about the MASH Program.
- Pasadena Media has increased the number of city commission and committee meetings we support each month in City Council Chambers to include Community Police Oversight Commission, Design Commission, and Planning Commission. A special CPOC meeting held at Robinson Park Recreation Center included a special presentation from Gary Moody with “Pasadena Seen and Unseen: A Historical Presentation.”
- Pasadena Media is currently working on a pro services project for the Pasadena Museum of History on their “Starting Anew: Transforming Pasadena from 1890-1930” exhibit for archival purposes.
- Pasadena Media attended the media breakfast event for the completion of Habitat for Humanity’s Howard-Navarro project.
- Pasadena Media staff is currently prepping for both the Black History Parade and the Mayor’s Annual State of the City Address.
- In partnership with the Pasadena Police Department, Pasadena Media highlighted the Battle of the Badges Blood Drive sponsored by American Red Cross which was held at Police Headquarters.
- Pasadena Media produced a video about the Sierra Madre Boulevard Green Street Stormwater Capture Project Open House at Victory Park Recreation Center.

Board of Directors
Pasadena Community Access Corporation
Pasadena, California

We have audited the financial statements of the Pasadena Community Access Corporation as of and for the year ended June 30, 2022, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our statement of work dated October 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Pasadena Community Access Corporation are described in Note 1 to the financial statements.

As described in Note 1D, the Corporation changed accounting policies related to leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, effective July 1, 2021. Accordingly, the accounting change has been applied to the beginning of the period of adoption.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

"[Click here and identify the body or individual(s) charged with governance]"

[Click here and type organization]

Page 2

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The following material misstatement detected as a result of audit procedures was corrected by management:

The recognition of \$331,654 of unearned revenue related to PEG grant funding as revenue that should have been recognized in previous years and the recognition of current year PEG grant funding of \$143,220 as revenue.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to include an emphasis of a matter to direct readers to Note 1D to the financial statements regarding adoption of new account guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*.

Our report was also modified to include an emphasis of matter to direct readers to Note 13 to the financial statements regarding the restatement of the beginning net position for PEG funding that should have been recognized as revenue in previous years.

Management representations

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

"[Click here and identify the body or individual(s) charged with governance]"

[Click here and type organization]

Page 3

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

* * *

This communication is intended solely for the information and use of the board of directors and management of Pasadena Community Access Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Irvine, California
REPORT DATE

**PASADENA COMMUNITY ACCESS CORPORATION
(A COMPONENT UNIT OF THE CITY OF
PASADENA, CALIFORNIA)**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

**PASADENA COMMUNITY ACCESS CORPORATION
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YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pasadena Community Access Corporation
Pasadena, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Pasadena Community Access Corporation (the Corporation), a component unit of the City of Pasadena, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1D to the financial statements, effective July 1, 2021, the Corporation adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The guidance requires lessees to recognize a right-to-use assets and corresponding lease liability for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the financial statements, the Corporation restated the beginning net position to recognize previously recorded unearned PEG grant revenues. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Irvine, California
REPORT DATE

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**PASADENA COMMUNITY ACCESS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Our discussion and analysis of the Pasadena Community Access Corporation's (a component unit of the City of Pasadena, California) (the Corporation) financial performance provides an overview of the Corporation's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Corporation's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- The Corporation's net position for the fiscal year ended June 30, 2022, was \$878,677, an increase of \$121,883, or 16.11%, over the prior year.
- During the year, the Corporation had operating expenses that were \$20,791 more than the \$1,027,814 generated from the operating agreement, service contracts, and other operating revenues from the Corporation's programs from the fiscal year ended June 30, 2022.
- Total operating cost of all the Corporation's programs was \$1,048,605. The programmatic activities of the Corporation remained unchanged.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position (on pages 9 and 10) provide information about the activities of the Corporation as a whole and present a long-term view of the Corporation's finances. As the Corporation operates as a business-type activity, no additional fund statements are necessary. When the Corporation charges customers for the services it provides—whether to outside customers or to the City of Pasadena or other governments—these services are reported similarly to the way a business operates.

A Statement of Cash Flows is also presented using the direct method, which portrays inflows and outflows for specific classes of operations along with an indirect reconciliation of increases to net cash provided by operations.

Reporting the Corporation's Results as a Whole

Our analysis of the Corporation as a whole begins on page 4. One of the most important questions asked about the Corporation's finances is, "Is the Corporation as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Corporation as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**PASADENA COMMUNITY ACCESS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

These two statements report the Corporation's net position and changes in them. You can think of the Corporation's net position—the difference between assets and liabilities—as one way to measure the Corporation's financial health, or financial position. Over time, increases or decreases in the Corporation's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Corporation's long-term contractual revenues and the condition of the Corporation's equipment and other assets, to assess the overall health of the Corporation.

THE CORPORATION AS A WHOLE

The Corporation's net position increased from a year ago, from \$756,794 to \$878,677. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Corporation's activities.

| Table 1 | | | |
|----------------------------------|---------------|--|---------------|
| | | | Restated |
| | June 30, 2022 | | June 30, 2021 |
| Current and Other Assets | \$ 858,961 | | \$ 681,979 |
| Capital Assets, Net | 280,093 | | 131,413 |
| Total Assets | 1,139,054 | | 813,392 |
| Current Liabilities | (231,974) | | (56,598) |
| Noncurrent Liabilities | (28,403) | | - |
| Total Liabilities | (260,377) | | (56,598) |
| Net Position: | | | |
| Net Investment in Capital Assets | 82,351 | | 131,413 |
| Restricted | 474,874 | | 331,654 |
| Unrestricted | 321,452 | | 293,727 |
| Total Net Position | \$ 878,677 | | \$ 756,794 |

For comparison purposes, the June 30, 2021, column data in Table 1 has been adjusted for the restatement described in Note 13 to the financial statements.

Unrestricted Net Position—The part of net position that can be used to finance day-to-day operations without constraints established by debts, contribution restrictions, or other legal requirements—changed from \$293,727 at June 30, 2021, to \$321,452 at end of the fiscal year. This nominal increase is a result of the Corporation's normal operation. The Corporation generally can use this unrestricted net position to finance continuing operations in the coming fiscal year.

**PASADENA COMMUNITY ACCESS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

| Table 2 | | | | |
|---|---------------|---------------------------|--|----------------------|
| | Year Ended | | | Percentage |
| | June 30, 2022 | Restated June 30, 2021 | | Changes from 2021 |
| Revenues: | | | | |
| Operating Revenues: | | | | |
| Operating Agreement | \$ 967,000 | \$ 967,000 | | 0.0% |
| Service Contracts | 18,000 | 10,145 | | 77.4% |
| Production and Other Operating Revenue | 42,814 | 37,443 | | 14.3% |
| Total Operating Revenues | 1,027,814 | 1,014,588 | | 1.3% |
| Nonoperating Revenues: | | | | |
| Public, Education and Gov't (PEG) Revenue | 143,220 | 196,513 | | -27.1% |
| Interest Income | 49 | 47 | | 4.3% |
| Total Nonoperating Revenues | 143,269 | 196,560 | | -27.1% |
| Total Revenues | 1,171,083 | 1,211,148 | | -3.3% |
| Operating Expenses: | | | | |
| Salaries and Benefits | 699,379 | 678,454 | | 3.1% |
| Production Expense | 24,628 | 18,701 | | 31.7% |
| Occupancy Expense | 44,470 | 210,250 | | -78.8% |
| Contractual Services | 26,700 | 29,100 | | -8.2% |
| General and Administrative | 40,260 | 29,520 | | 36.4% |
| Depreciation and Amortization | 213,168 | 48,701 | | 337.7% |
| Total Operating Expenses | 1,048,605 | 1,014,726 | | 3.3% |
| Nonoperating Expenses: | | | | |
| PEG Grants Awarded to Other Agencies | - | 41,066 | | -100.0% |
| Interest Expense | 595 | - | | - |
| Total Nonoperating Expenses | 595 | 41,066 | | -98.6% |
| Total Expenses | 1,049,200 | 1,055,792 | | -0.6% |
| Changes in Net Position | 121,883 | 155,356 | | |
| Net Position - Beginning of Year, as Restated | 756,794 | 601,438 | | 25.8% |
| Net Position - End of Year | \$ 878,677 | \$ 756,794 | | 16.1% |

For comparison purposes, the June 30, 2021, column data in Table 2 has been adjusted for the restatement described in Note 13 to the financial statements.

Although the Corporation's total cost of programs and services had a net decrease of 0.6% (\$6,592), a closer look shows that operating expenses increased 3.3% (\$33,879), while PEG expenses decreased from \$41,066 to \$0. The Corporation's revenues had a net decrease of 3.3% (\$40,065), resulting from a combination of increased operating revenues and decreased PEG revenue received from the City of Pasadena in nonoperating revenue.

Budgetary Highlights

Over the course of the year, the board of directors reviewed the budget during meetings. There were no budget reforecasts submitted for approval.

The Corporation's adopted operating budget was \$1,077,700 for the fiscal year ended June 30, 2022. Actual operating revenues were \$49,886 less than budget, and operating expenses were \$29,095 less than budget.

**PASADENA COMMUNITY ACCESS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CAPITAL ASSETS

At the end of 2022, the Corporation had \$280,093 invested in capital assets, net of accumulated depreciation and amortization. (See Table 3 below.) This amount represents a net increase of \$148,680 or 113% higher than last year that resulted from the addition of a right-to-use leased building as part of the adoption of the new accounting standard discussed in Note 1D to the financial statements.

| Table 3 | | |
|---|-------------------|-------------------|
| | June 30, 2022 | June 30, 2021 |
| Production Equipment | \$ 437,420 | \$ 437,420 |
| Leasehold Improvements | 93,897 | 93,897 |
| Right-to-Use Leased Building | 361,848 | - |
| Less: Accumulated Depreciation and Amortization | (613,072) | (399,904) |
| Property and Equipment, Net | <u>\$ 280,093</u> | <u>\$ 131,413</u> |

More detailed information about the Corporation's capital assets is presented in Note 3 to the financial statements.

LONG-TERM LIABILITIES

As a result of the current year implementation of the new accounting standard on leases discussed in Note 1D to the financial statements, the Corporation now reports a lease payable related to its leased office and production facilities. The outstanding balance of this lease payable was \$197,742 and \$361,848 as of June 30, 2022 and 2021, respectively.

More detailed information about the Corporation's long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Corporation's board of directors considered many factors when setting the fiscal year 2023 budget. The most significant budget expense increase is in personnel cost-of-living adjustments. Other increases include occupancy costs with the rent escalator built into the lease, as well as growing services costs mainly in audit and accounting fees.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our stakeholders including donors, customers, and the City of Pasadena's officials with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Corporate Office at 150 S. Los Robles Avenue, Suite 101, Pasadena, California 91101. Our main office number is 626-794-8585 and our email is info@pasadenamedia.org.

PASADENA COMMUNITY ACCESS CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2022

| | 2022 |
|--|--------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | \$ 360,983 |
| Accounts Receivable | 100 |
| Prepaid Assets | 10,584 |
| Deposits | 12,420 |
| Restricted Cash | 474,874 |
| Total Current Assets | 858,961 |
| NONCURRENT ASSETS | |
| Capital Assets, Net of Accumulated Depreciation and Amortization | 280,093 |
| Total Assets | 1,139,054 |
| LIABILITIES AND NET POSITION | |
| CURRENT LIABILITIES | |
| Accounts Payable | 8,021 |
| Accrued Salaries and Benefits | 24,320 |
| Accrued Interest Payable | 35 |
| Compensated Absences | 30,259 |
| Current Portion of Lease Payable | 169,339 |
| Total Current Liabilities | 231,974 |
| NONCURRENT LIABILITIES | |
| Lease Payable | 28,403 |
| Total Liabilities | 260,377 |
| NET POSITION | |
| Net Investment in Capital Assets | 82,351 |
| Restricted for Public, Educational and Governmental Access | 474,874 |
| Unrestricted | 321,452 |
| Total Net Position | 878,677 |
| Total Liabilities and Net Position | \$ 1,371,028 |

See accompanying Notes to Basic Financial Statements.

PASADENA COMMUNITY ACCESS CORPORATION
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

| | 2022 |
|--|------------|
| OPERATING REVENUES | |
| Operating Agreement | \$ 967,000 |
| Service Contracts | 18,000 |
| Production and Other Operating Revenue | 42,814 |
| Total Operating Revenues | 1,027,814 |
| OPERATING EXPENSES | |
| Salaries and Benefits | 699,379 |
| Production Expense | 24,628 |
| Occupancy Expense | 44,470 |
| Contractual Services | 26,700 |
| General and Administrative | 40,260 |
| Depreciation and Amortization Expense | 213,168 |
| Total Operating Expenses | 1,048,605 |
| OPERATING LOSS | (20,791) |
| NONOPERATING REVENUES (EXPENSES) | |
| Public, Education, and Government (PEG) Revenue | 143,220 |
| Interest Income | 49 |
| Interest Expense | (595) |
| Total Nonoperating Revenues | 142,674 |
| CHANGES IN NET POSITION | 121,883 |
| Net Position - Beginning of Year, as Previously Reported | 425,140 |
| Restatement - Note 13 | 331,654 |
| Net Position - Beginning of Year, as Restated | 756,794 |
| NET POSITION - END OF YEAR | \$ 878,677 |

See accompanying Notes to Basic Financial Statements.

PASADENA COMMUNITY ACCESS CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

| | 2022 |
|---|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from Customers | \$ 42,814 |
| Cash Received from Contracts | 987,640 |
| Cash Paid to Employees for Services | (697,753) |
| Cash Paid to Suppliers for Goods and Services | (138,679) |
| Net Cash Provided by Operating Activities | 194,022 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| PEG Grant Funding Received from City of Pasadena | 143,220 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Principal Payments on Lease Liability | (164,106) |
| Interest Payments on Lease Liability | (560) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (164,666) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Investment Income | 49 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 172,625 |
| Cash - Beginning of Year | 663,232 |
| CASH - END OF YEAR | \$ 835,857 |
| RECONCILIATION TO STATEMENT OF NET POSITION | |
| Cash | \$ 360,983 |
| Restricted Cash | 474,874 |
| Total Reconciliation to Statement of Net Position | \$ 835,857 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Operating Loss | \$ (20,791) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities: | |
| Depreciation and Amortization | 213,168 |
| Decrease in Accounts Receivable | 2,640 |
| Increase in Prepaid Assets | (6,997) |
| Increase in Accounts Payable and Accrued Expenses | 6,002 |
| Total Adjustments | 214,813 |
| Net Cash Provided by Operating Activities | \$ 194,022 |
| | |
| | |
| | |

See accompanying Notes to Basic Financial Statements.

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Pasadena Community Access Corporation (the Corporation) was organized in 1983 as a nonprofit, telecommunications resource for the City of Pasadena, California (the City). The Corporation was organized to perform the community access function of the Pasadena telecommunications system pursuant to the Cable Communications Ordinance of the City. In 2011, the City Council determined that the Corporation should be reported as a discretely presented component unit of the City in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The board of directors consists of 11 members with representatives from each of the seven City Council Districts, the Mayor, the City Manager, Pasadena Community College (PCC), and Pasadena Unified School District (PUSD). Residency is required except for the City Manager, PCC, and PUSD representatives. These operations constitute part of the overall financial reporting entity of the City and are accounted for as a discretely presented component unit in the City's Annual Comprehensive Financial Report consistent with U.S. GAAP. Revenues and expenses of the Corporation include direct revenues and expenses and certain allocations from the City.

B. Basis of Presentation

The Corporation's basic financial statements are presented in conformance with Governmental Accounting Standards Board (GASB) Statement No. 34, which established standards for external financial reporting for all state and local governmental entities. The basic financial statements include the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows.

C. Basis of Accounting

The Corporation is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Corporation utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

D. Adoption of New Accounting Standard

The Corporation adopted GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Corporation adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period.

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Classification of Revenues and Expenses

The Corporation classifies its revenues and expenses into the following classifications: operating revenues, operating expenses, nonoperating revenues, and nonoperating expenses. Operating revenues consist of management and operating fees, production services fees, and program services fees, with relating costs to provide these services considered operating expenses. Nonoperating revenues consist of voluntary nonexchange grants revenue and investment earnings. Nonoperating expenses consist of capital grants made to PCC and PUSD for cable telecommunications equipment.

F. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less.

G. Prepaid Assets

Certain payments to vendors, which reflect costs applicable to future accounting periods, are recorded as prepaid assets.

H. Capital Assets

The Corporation capitalizes assets having an estimated useful life in excess of one year and acquisition cost of at least \$5,000. Capital assets are recorded either at acquisition cost or initial lease liability amount (for right-to-use leased assets) and are depreciated or amortized (for right-to-use leased assets) over the estimated useful life of the asset using the straight-line method of depreciation/ amortization. Donated capital assets are recorded at acquisition value as of the date of the donation. All significant expenditures exceeding \$5,000 for repairs, renewals, and betterments that materially prolong the useful lives of the assets or remeasurements of lease liability (for right-to-use leased assets) are capitalized.

The estimated useful lives of the assets are as follows:

| | |
|------------------------------|---------|
| Leasehold Improvements | 6 Years |
| Furniture and Fixtures | 5 Years |
| Production Equipment | 5 Years |
| Right-to-Use Leased Building | 3 Years |

I. Compensated Absences

Regular full-time and part-time employees accrue vacation. Vacation time is accrued two to four weeks per year, depending on how long an employee has been with the Corporation. Part-time employees who work 20 hours per week or more are eligible to accrue vacation on a pro rata basis. It is the Corporation's policy to permit employees to accumulate earned but unused vacation benefits from year-to-year up to a maximum of two times a full-time employee's annual vacation amount. All accumulated compensated absences are recorded as an expense and a liability at the time the benefit is earned.

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Lease

The Corporation is a lessee for a noncancellable lease of office and production facilities. The Corporation recognizes a lease liability and an intangible right-to-use asset (lease asset) in the statement of net position. At the commencement of a lease, the Corporation initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

K. Net Position

Net position represents the difference between assets and liabilities on the statement of net position. Net positions were classified in the following categories: net investment in capital assets and unrestricted.

Net investment in capital assets consists of the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets, as applicable.

Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislation adopted by the Corporation's board of directors, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use unrestricted resources first, and then restricted resources as they are needed.

L. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS

Summary of Cash

As of June 30, 2022, cash were reported in the accompanying financial statements:

| | |
|---|-------------------|
| Cash on Hand | \$ 200 |
| Deposits with Financial Institutions | 360,783 |
| Deposits with Financial Institutions - Restricted | 474,874 |
| Total Cash | <u>\$ 835,857</u> |

Deposits

At June 30, 2022, the carrying amount of the Corporation's deposits was \$835,657 and the bank balance was \$836,259. The \$602 difference represents outstanding checks and other reconciling items. Balances in the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Included in the bank balance, the Corporation had a funds in a credit union totaling \$123,930. This amount is insured by the National Credit Union Administration (NCUA) up to \$250,000.

Restricted Deposits

Restricted deposits, as further described in Notes 6C and 7, are to be utilized for eligible PEG capital expenditures. The total amount of restricted deposits at June 30, 2022 was \$474,874.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Corporation's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2022, the Corporation had uncollateralized deposits in excess of FDIC coverage of \$462,329.

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for the Corporation by the California Government Code. Other than what is in the Government Code, the Corporation has no other investment policy.

| Investment Types Authorized by the California Government Code | Authorized by Investment Policy | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|---------------------------------------|---------------------|---------------------------------------|--|
| Local Agency Bonds | Yes | 5 Years | None | None |
| U.S. Treasury Obligations | Yes | 5 Years | None | None |
| U.S. Agency Securities | Yes | 5 Years | None | None |
| Bankers' Acceptances | Yes | 180 Days | 40% | 30% |
| Commercial Paper | Yes | 270 Days | 25% | 10% |
| Negotiable Certificates of Deposit | Yes | 5 Years | 30% | None |
| Repurchase Agreements | Yes | 1 Year | None | None |
| Reverse Repurchase Agreements | Yes | 92 Days | 20% | None |
| Medium-Term Notes | Yes | 5 Years | 30% | None |
| Mutual Funds | Yes | N/A | 20% | 10% |
| Money Market Mutual Funds | Yes | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | Yes | 5 Years | 20% | None |
| County Pooled Investment Funds | Yes | N/A | None | None |
| Local Agency Investment Fund | Yes | N/A | None | None |
| Joint Power Agency Pools (Other Investment Pools) | Yes | N/A | None | None |

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Corporation manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The Corporation held no investments as of the year ended June 30, 2022.

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Corporation held no investments as of the year ended June 30, 2022.

Concentration of Credit Risk

In accordance with GASB Statement No. 40 requirements, the Corporation is considered to be exposed to concentration of credit risk whenever they have invested more than 5% of their total investments in any one issuer. Investments guaranteed by the U.S. Government and investments in mutual funds and external investment pools are excluded from this requirement. The Corporation held no investments as of the year ended June 30, 2022.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 is as follows:

| | Balance at July 1, 2021, Restated (1) | Additions | Dispositions | Balance at June 30, 2022 |
|--|---|---------------------|--------------|-----------------------------|
| Capital Assets Being Depreciated and Amortized: | | | | |
| Production Equipment | \$ 437,420 | \$ - | \$ - | \$ 437,420 |
| Leasehold Improvements | 93,897 | - | - | 93,897 |
| Right-to-Use Leased Building | 361,848 | - | - | 361,848 |
| Total Capital Assets Being Depreciated and Amortized | 893,165 | - | - | 893,165 |
| Less Accumulated Depreciation and Amortization for: | | | | |
| Production Equipment | (345,129) | (30,511) | - | (375,640) |
| Leasehold Improvements | (54,775) | (15,650) | - | (70,425) |
| Right-to-Use Leased Building | - | (167,007) | - | (167,007) |
| Total Accumulated Depreciation and Amortization | (399,904) | (213,168) | - | (613,072) |
| Total Capital Assets | <u>\$ 493,261</u> | <u>\$ (213,168)</u> | <u>\$ -</u> | <u>\$ 280,093</u> |

(1) Beginning balance was restated to add right-to-use lease assets as a result of the implementation of GASB Statement No. 87, *Leases*.

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 DEFINED CONTRIBUTION RETIREMENT PLAN

Effective April 4, 2017, the Corporation adopted a Savings Incentive Match Plan for Employees Individual Retirement Account plan (the Plan) for which all employees who have completed 90 days of service are eligible to participate. The employees of the Corporation may elect to contribute to the Plan (subject to overall limits) in any one plan year. Each year the Corporation will make a matching contribution to the Plan on a dollar-for-dollar basis up to 3% of the employee's compensation, for the employees who are contributing to the Plan.

The Corporation contributed \$13,356 to the Plan for the year ended June 30, 2022.

NOTE 5 LEASE PAYABLE

Changes in the lease payable as of June 30, 2022, were as follows:

| Balance July 1, 2021, as Restated (1) | Additions | Reductions | Balance June 30, 2022 | Amount Due Within One Year | Amount Due in More than One Year |
|---|-----------|--------------|--------------------------|----------------------------------|--|
| \$ 361,848 | \$ - | \$ (164,106) | \$ 197,742 | \$ 169,339 | \$ 28,403 |

(1) Beginning balance was restated as a result of the implementation of GASB Statement No. 87, *Leases*.

The Corporation leases office and production facilities in Pasadena, California, under a noncancellable lease agreement. The lease term expires August 31, 2023. The lease payable was determined utilizing an estimated discount rate of 0.218%. Effective September 1, 2021, the current monthly payment is \$13,789. The monthly payment is scheduled to increase to \$14,203 effective September 1, 2022.

The minimum annual lease payments due during the term of the lease are as follows:

| Year Ending June 30, | Amount |
|----------------------|------------|
| 2023 | \$ 169,339 |
| 2024 | 28,403 |
| Total | \$ 197,742 |

NOTE 6 OTHER PROVISIONS OF REVENUE AND CONTRACTS

A. Franchise Fees

On December 2, 1983, a 15-year cable franchise agreement (the Agreement) was entered into by and between the City and a cable communications operator (Cable Operator). According to the terms of the Agreement, the Corporation is entitled to receive 2% of the Cable Operator's gross revenues (as defined in the Agreement) in return for providing the public access and public service programming function of the Cable Operator's communications system. This agreement expired during the year ended June 30, 1999. The City committed to continue to fund the agreement, after expiration, until a new agreement could be reached.

Effective October 1, 2000, the City and the Cable Operator entered into a new nonexclusive franchise agreement to operate a cable television system in the City. The agreement expired on October 17, 2005, and was extended on a month-to-month basis

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

under mutual agreement with the Cable Operator while negotiating a franchise renewal. This agreement ended prior to statewide franchising that took effect in 2008.

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 OTHER PROVISIONS OF REVENUE AND CONTRACTS (CONTINUED)

A. Franchise Fees (Continued)

The City now receives 5% of the state franchise holders' gross revenues derived from the provision of video service pursuant to California Public Utilities Code Section 5840. The franchise fee is considered General Fund revenue for the City and, although the City continues to fund the Corporation at approximately 75% of the franchise fee revenue, the funding amount is at the discretion of the Pasadena City Council.

B. Management and Operating Agreement

On February 10, 2015, the Corporation entered into an agreement with the City to provide operation and day-to-day management of the local PEG access system, for a period of 25 years, commencing as of the date of the Agreement, and ending July 1, 2040.

C. 1% Public, Education, and Government (PEG) Allocation

Pursuant to Pasadena Municipal Code 18.04.060, it was established that a fee would be paid to the City for the support of public, educational, and governmental access facilities and activities within the City. The Pasadena Municipal Code states that this fee shall be 1% of a cable provider's gross revenues, as defined in California Public Utilities Code Section 5860.

The Corporation serves as a receiving, holding, and disbursing entity for monies intended to promote noncommercial uses of the cable telecommunication medium. These funds are allocated as grant revenue solely for PEG related purposes. See Note 7 for further details related to these funds.

D. Other Contracts

The Corporation earns additional service contract revenue by providing various production services to Los Angeles County for Altadena Town Council Meetings.

NOTE 7 PEG FUNDING FROM CITY OF PASADENA

As described in Note 6, the Corporation received \$143,220 of PEG funding from the City of Pasadena during the year ended June 30, 2022. Unspent PEG funding is classified as restricted cash and net position has been restricted to the extent that no related expenses have been incurred on the statement of net position.

The changes in restricted cash (unspent PEG funding) for the year ended June 30, 2022 were as follows:

| | |
|---|-------------------|
| Beginning Restricted Cash | \$ 331,654 |
| PEG Revenue Received | 143,220 |
| PEG Disbursements for Capital Grants/ Equipment | - |
| PEG Subtotal | 143,220 |
| Ending Restricted Cash | <u>\$ 474,874</u> |

PASADENA COMMUNITY ACCESS CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 CONCENTRATIONS OF REVENUE

For the year ended June 30, 2022, revenues derived from the City of Pasadena from the management and operating agreement described in Note 6B and the 1% PEG Allocation described in Note 6C accounted for 94% of the Corporation's total revenue.

NOTE 9 COMPENSATED ABSENCES

Changes in compensated absences as of June 30, 2022 were as follows:

| | | | | Amount | Amount Due |
|--------------|-----------|-------------|---------------|------------|--------------|
| Balance | | | Balance | Due Within | in More than |
| July 1, 2021 | Incurred | Satisfied | June 30, 2022 | One Year | One Year |
| \$ 33,819 | \$ 32,243 | \$ (35,803) | \$ 30,259 | \$ 30,259 | \$ - |

NOTE 10 RISK MANAGEMENT

The Corporation is covered under Special Liability, Property and Participant Accident policies through Nonprofits Insurance Alliance of California (NIAC). Liability and Participant Accident claims are insured for up to \$1,000,000 per occurrence for any amount over the Corporation's deductible amount of \$1,000. Property claims are insured for up to \$25,000,000 per occurrence for any amount over the Corporation's deductible amount of \$1,000. Workers' compensation claims are covered under a purchased policy through Hartford Accident and Indemnity Company for claims up to \$1,000,000 for each occurrence for any amount over the Corporation's deductible amount of \$1,000. Settled claims have not exceeded any of the Corporation's coverage amounts in any of the last three fiscal years.

NOTE 11 INCOME TAXES

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The Corporation files Form 990 in the U.S. federal jurisdiction and Form 199 in the state of California.

NOTE 12 RELATED PARTY TRANSACTIONS

As part of the management and operating agreement discussed in Note 6B, the City bills the Corporation for services rendered on the Corporation's behalf. Services provided to the Corporation for the year ended June 30, 2022 was \$20,000. The Corporation did not have an amount payable to the City as of June 30, 2022.

NOTE 13 RESTATEMENT OF NET POSITION

The Corporation restated beginning net position by \$331,654 for PEG funding (see Note 7) that was previously reported as unearned revenue but should have been recognized as revenue.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Pasadena Community Access Corporation
Pasadena, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Pasadena Community Access Corporation (the Corporation), a component unit of the City of Pasadena, California, as of and for the year ended June 30, 2022 and the related notes to the basic financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated REPORT DATE

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Corporation's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Corporation's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Irvine, California
REPORT DATE

**PASADENA COMMUNITY ACCESS CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2022**

2022-001 – PEG Grant Funding

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Upon receipt of PEG grant funding from the City of Pasadena, the Corporation had been recording the amounts as unearned revenue and would recognize the revenue as eligible capital-related costs were incurred.

Criteria or specific requirement: In accordance with accounting guidance for nonexchange transactions pursuant to GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the receipt of this revenue source is considered to be a voluntary nonexchange transaction, and as such, should have been recognized as revenue since all eligibility requirements were met. The purpose restriction that the PEG grant funding be used for capital-related costs only affects the classification of net position; not the revenue recognition.

Effect: Beginning net position was restated for amounts received in prior years of \$331,654 that should have been reported as revenue. Additionally, the current year funding received of \$143,220 was adjusted to be properly reported as revenue.

Cause: The Corporation's revenue recognition of PEG grant funding was based on the form of the agreement with the City rather than the underlying substance of the transactions.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the Corporation update their controls over cash receipts to ensure that PEG grant funding is properly recorded as revenue upon receipt.

Views of responsible officials and planned corrective actions: We are in concurrence with the finding and will implement the auditors' recommendation.