



**AGENDA REGULAR MEETING
PASADENA COMMUNITY ACCESS CORPORATION
Tuesday, Oct 1, 2024
6:15 p.m. at 150 S. Los Robles Ave., Suite 101**

BOARD OF DIRECTORS

Kim Washington, President (District 1)
Jan Sanders, Treasurer (District 2)
Anna Hawkey Jablonski (District 3)
Alan Clelland, Vice President (District 4)
Vacant (District 5)
Avram Gold (District 6)
James De Pietro (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
Jasiri Jenkins-Glenn, Director of Community Engagement
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.

Items 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, Oct 1, 2024**, starting at **6:15 p.m.**, at **PCAC** located at **150 S. Los Robles Ave., Ste. 101, Pasadena, CA 91101**.

AGENDA

PUBLIC MEETING

- INTRODUCTION OF NEW MEMBERS/CALL TO ORDER/ROLL CALL
- APPROVAL OF SEPT 3, 2024 REGULAR BOARD MEETING MINUTES
 - Motion to Approve
- PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA - Please limit comments to three minutes each.
- TREASURER REPORT
- COMMITTEE REPORT
 - PCAC CITIZENS ADVISORY COMMITTEE
 - PCAC BOARD AD HOC COMMITTEE ON STRATEGIC PLANNING
- EXECUTIVE DIRECTOR CEO REPORT
- OLD BUSINESS
- NEW BUSINESS
 - ANNUAL AUDIT PRESENTATION: PCAC FINANCIAL STATEMENTS AND LANCE, SOLL & LUNGHARD, LLP'S REPORT
 - Action Item
- ANNOUNCEMENTS BY BOARD MEMBERS AND STAFF
- ADJOURNMENT

Kim Washington, 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 26th day of Sept, 2024.

Liza Rodriguez, Office Administrator

**PASADENA COMMUNITY ACCESS CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING
150 S LOS ROBLES AVE
PASADENA, CA 91101**

Minutes of Pasadena Community Access Corporation

This regular meeting of the PCAC Board of Directors was held on Tuesday, September 3, 2024.

REGULAR MEETING – Treasurer Jan Sanders called the meeting to order at 6:25 p.m in place of President Washington who was delayed.

PUBLIC MEETING

I. INTRODUCTION OF MEMBERS/CALL TO ORDER/ROLL CALL

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

Kimberly Washington, President (District 1), present
Jan Sanders, Treasurer (District 2), present
Anna Hawkey Jablonski (District 3), absent
Alan Clelland, Vice President (District 4), absent
Michael Ocon (District 5), absent
Avram Gold (District 6), present
James De Pietro (District 7), present
Gail Schaper-Gordon (Mayor’s Representative), present
Beth Leyden, Secretary (PUSD Representative), present
Alex Boekelheide (PCC Representative), absent
Lisa Derderian (City/City Manager’s Representative), absent

Staff:

George Falardeau, Executive Director/CEO, present
Chris Miller, Chief Operating Officer, present
Bobbie Ferguson, Chief Production Officer, present
Jasiri Jenkins-Glenn, Director of Community Engagement, present
Liza Rodriguez, Office Administrator/Asst. to the ED/CEO, present
Javan Rad, City Attorney’s Office

I. APPROVAL OF JUNE 4, 2024 REGULAR BOARD & JUNE 21, 2024 SPECIAL BOARD MEETING MINUTES

- **Motion to Approve Minutes for June 4, 2024:** *Gail Schaper-Gordon moved to approve, Seconded by James De Pietro. All in favor. No public comment.*
- **Motion to Approve Minutes for June 21, 2024:** *Lisa Derderian moved to approve, Seconded by Gail Schaper-Gordon. All in favor. No public comment.*

II. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA – Please limit comments to three minutes each.

- No public comment.

III. TREASURER REPORT

- Treasurer's report presented by Treasurer Jan Sanders, per agenda packet. *Information item only. No public comment. At this time we are ahead of the ball and to the good.*

IV. COMMITTEE REPORT

- PCAC CITIZENS ADVISORY COMMITTEE
 - *No report presented; however, new board member Avram Gold suggested that the PCAC CAC and the Board meet together once a year for some spontaneous productivity.*
- PCAC BOARD AD HOC COMMITTEE ON STRATEGIC PLANNING
 - *This committee, which is not a Brown Act committee, will hold their first meeting before the next regular board meeting.*
- PCAC BOARD AD HOC COMMITTEE ON MEMBERSHIP OF CITIZENS ADVISORY COMMITTEE
 - *This committee also had not met but would like the Board's help in selecting new members.*

V. EXECUTIVE DIRECTOR CEO REPORT

- Executive Director's report presented by ED/CEO George Falardeau and staff per agenda packet. *Information item only. No public comment.*

VI. OLD BUSINESS

- None

VII. NEW BUSINESS

- INTRODUCTION OF BOARD AD HOC COMMITTEE ON STRATEGIC PLANNING
 - Information Item – Members include, Gail Schaper-Gordon, Anna Hawkey Jablonski, Kim Washington, Alan Clelland, and Beth Leyden
- DISCUSSION OF OPEN SEATS ON CITIZENS ADVISORY COMMITTEE
 - Information Item – More information is needed on this.
- OVERVIEW OF THE BROWN ACT FROM CITY ATTORNEY'S OFFICE
 - Information Item – Javan Rad presented a brief overview of the Brown Act and how it relates to the PCAC Board and Committees of the Board. The Brown Act governs the PCAC Board of Directors and any standing committees but does not apply to Ad Hoc committees.

VIII. ANNOUNCEMENTS BY BOARD MEMBERS AND STAFF

- Various announcements by Board Members and Staff including: Michael Ocon has resigned from the Board. Gail Schaper-Gordon will be in JAPAN for most of October.

IX. ADJOURNMENT

- *Treasurer Sanders adjourned the meeting at 7:34 p.m.*

FUTURE MEETING DATES

- **November 5, 2024**
- **December 3, 2024**

Pasadena Community Access Corporation		
Statement of Financial Position		
As of September 30, 2024		
	Total	
	As of Sep 30, 2024	As of Jun 30, 2024 (PP)
ASSETS		
Current Assets		
Bank Accounts		
1010 Petty Cash	200	200
1125 Bank of America Checking (8566)	258,415	298,920
1130 Bank of America Capital - Restricted (9451)	222,409	182,052
1170 PFCU Savings (7181)	124,054	124,054
Total Bank Accounts	\$ 605,078	\$ 605,226
Accounts Receivable		
1200 Accounts Receivable	1,815	710
Total Accounts Receivable	\$ 1,815	\$ 710
Other Current Assets		
1210 Other Receivables	60	339
1330 Prepaid Insurance	0	5,467
Total Other Current Assets	\$ 60	\$ 5,806
Total Current Assets	\$ 606,953	\$ 611,743
Fixed Assets		
1600 Production Equipment	647,262	647,262
1610 Vehicles	61,671	61,671
1635 Leasehold Improvements	101,092	101,092
1640 Right-to-Use Lease Assets	546,520	546,520
1650 Accumulated Depreciation	-436,142	-436,142
1660 Accumulated Depreciation - LHI	-94,177	-94,177
1670 Accumulated Amortization	-194,696	-147,708
Total Fixed Assets	\$ 631,530	\$ 678,517
Other Assets		
1800 Security Deposit	16,440	16,440
Total Other Assets	\$ 16,440	\$ 16,440
TOTAL ASSETS	\$ 1,254,922	\$ 1,306,700
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable	0	20,004
Total Accounts Payable	\$ 0	\$ 20,004
Credit Cards		
2050 Chase Visa Credit Card	2,844	1,739
2060 Divvy Credit Card	1,774	2,379
Total Credit Cards	\$ 4,618	\$ 4,118
Other Current Liabilities		
2100 Payroll Liabilities	71	29,586
2200 Accrued Vacation	20,538	42,536
2500 Current Lease Liability	194,065	176,983
Total Other Current Liabilities	\$ 214,674	\$ 249,105
Total Current Liabilities	\$ 219,292	\$ 273,227
Long-Term Liabilities		
Lease Payables	163,349	228,145
Total Long-Term Liabilities	\$ 163,349	\$ 228,145
Total Liabilities	\$ 382,641	\$ 501,372
Equity		
3000 Opening Bal Equity	-36,271	-36,271
3100 Retained Earnings	659,547	659,547
3200 Temporarily Restricted Assets	182,052	182,052
Net Income	66,953	
Total Equity	\$ 872,281	\$ 805,328
TOTAL LIABILITIES AND EQUITY	\$ 1,254,922	\$ 1,306,700

Pasadena Community Access Corporation

Pro Forma P&L - September 2025

FY 2025 YTD Actual vs FY 2025 Adopted Budget

		vs. 3 mo. Budget			vs. Full Year Budget		
	YTD Actual	YTD Budget	\$	%	FY25 Budget	\$	%
Income							
City of Pasadena	288,750	288,750	-	0.0%	1,155,000	(866,250)	-75.0%
Contributions & Grants	1,556	2,000	(444)	-22.2%	8,000	(6,444)	-80.5%
Production Services	1,190	1,933	(743)	-38.4%	33,600	(32,410)	-96.5%
Program Services	3,058	1,400	1,658	118.4%	8,400	(5,343)	-63.6%
Other Revenue	-	250	(250)	-100.0%	1,000	(1,000)	-100.0%
Total Income	294,554	294,333	220	0.1%	1,206,000	(911,446)	-75.6%
Expenses							
Payroll Expenses	180,352	186,676	6,324	3.4%	705,178	524,826	74.4%
Payroll Taxes	12,330	15,681	3,351	21.4%	59,235	46,905	79.2%
Employee Benefits	32,068	37,720	5,652	15.0%	117,879	85,811	72.8%
Occupancy Expenses	73,497	58,198	(15,299)	-26.3%	225,546	152,049	67.4%
Accounting & Audit	9,560	1,350	(8,210)	-608.1%	20,817	11,257	54.1%
Advertising & Marketing	533	750	217	28.9%	3,000	2,467	82.2%
Automobile Expense	466	500	34	6.8%	2,000	1,534	76.7%
Bank & Payroll Processing Fees	451	425	(26)	-6.2%	1,700	1,249	73.4%
Board Materials & Expenses	-	30	30	100.0%	120	120	100.0%
Cable Drop Fees	511	700	188	26.9%	9,451	8,940	94.6%
Contract Labor	781	500	(281)	-56.3%	2,000	1,219	60.9%
Dues and Subscriptions	-	80	80	100.0%	3,500	3,500	100.0%
Legal & Professional Fees	-	-	-		20,000	20,000	100.0%
Licenses, Permits & Other Fees	-	-	-		224	224	100.0%
Meals & Entertainment	344	475	131	27.6%	1,900	1,556	81.9%
Office Expense	889	1,875	986	52.6%	7,500	6,611	88.1%
Production Expense	5,395	6,909	1,513	21.9%	21,000	15,605	74.3%
Professional Development	-	525	525	100.0%	2,100	2,100	100.0%
Travel & Lodging	149	600	451	75.2%	2,850	2,701	94.8%
Total Expenses	317,326	312,993	(4,334)	-1.4%	1,206,000	888,674	73.7%
Net Operating Income	(22,773)	(18,659)	(4,113)	22.0%	-	(22,773)	
PEG Capital Income Recognized	40,356	42,500	2,144	5.0%	170,000	(129,644)	-76.3%
PEG Capital Equipment Expense	-	45,513	45,513	100.0%	182,052	(182,052)	-100.0%

Administrative Staff Report

September 2024

Executive Director CEO Report

Executive Director CEO George Falardeau

Operations Report including Cable Complaints Received

Chief Operating Officer Chris Miller

Production Services Report

Chief Production Officer Bobbie Ferguson

Community Engagement Report

Director of Community Engagement Jasiri Jenkins-Glenn

Executive Director CEO Report – September 2024

Respectfully submitted by George Falardeau, Executive Director CEO

- Attended the District 6 Town Hall meeting hosted by Councilmember Steve Madison at Westridge School. The event was covered by Pasadena Media and will air on KPAS at a later date. Vice Mayor Madison acknowledged the good work provided by the Pasadena Media staff.
- Attended the Public Utilities Commission public hearing at the Monterey Park City Council Chamber, along with COO Chris Miller, Chief Production Officer Bobbie Ferguson, Media Production Specialist Danny Hesse, and Board Member Avram Gold. The hearing on cable franchising and customer service standards including Charter Spectrum, provided the public a chance to give input regarding community media, digital equity, and consumer protections with their public comments. We asked all community members to share their experiences with their cable service providers. Chris Miller to give details.
- Attended the Pasadena Chamber of Commerce Board of Directors Strategic Planning meeting held at the Pacific Premier Bank. Board members developed a three-to five-year strategic plan outlining their initiatives for bringing in new businesses to the chamber, as well as younger businesses overall. The strategic plan was led by Katelyn Barchowsky and various chamber committees.
- Attended a Civitas event at the Blinn House. The topic was *Back to School with PUSD*, featuring panelists Jennifer Higginbotham, School Site Council Chair for Blair; and Pat Calahan, PUSD Board Member. The event was moderated by Aaron Fyke, Founding and Managing Partner at Thin Line Capital. Discussion included future bond measures, decreasing enrollment, additional costs for infrastructure and speakers highlighting some of the outstanding programs that exist at PUSD. Dr. Blanco was also present at the event.
- Attended the National Women's Political Caucus Greater Pasadena Area 2024 Annual Honorees' Celebration event at a private residence here in the city. Attendees were the honorable Congresswoman Judy Chu, along with honorees Dorothy Thorman, Marguerite Cooper, and guest speaker Dr. Lori J. Morgan.

- Met with Blake Longo of AJ Longo and Associates along with COO Chris Miller, to discuss Pasadena Media's annual insurance renewals. Mr. Longo indicated that insurance rates across the board have risen, and the factors that have increased our insurance premium include the purchase of our new vehicle and the addition of our sexual abuse and molestation policy. Overall, the premium increased by approximately over \$3,000.
- Met with former Mayor Bill Bogaard along with Planning Commissioner and member of the PCAC Citizens Advisory Committee Mic Hansen to discuss various topics related to the city.
- Attended the Pasadena Rotary Board meeting held at the University Club of Pasadena. Serve as Vice-Chair for the Rotary Image Committee. Topics focused on integrating other non-profits, community engagement projects, and recruitment of younger members.
- Our annual audit is nearing completion. Chris Miller will provide details.
- Pasadena Media received a check donation of \$406.20 from Charitable Adult Rides & Services, Inc. (CARS) on behalf of PCAC Media Production Specialist Danny Hesse.

Operations Report – September 2024

Respectfully submitted by Chris Miller, Chief Operating Officer

- **UPDATE - California Asset Management Program: Application Submitted**
In accordance with the action taken in June, an account has been opened in the California Asset Management Program (CAMP). A transfer of the \$124,069.62 in the Pasadena Federal Credit Union (PFCU) savings account was triggered this morning. That PFCU savings account will be closed when the transfer is complete.
- **UPDATE - CA Public Utilities Commission (CPUC) DIVCA Enforcement: Hearings Completed**
As previously reported, the passing of SB 28 amended the Digital Infrastructure and Video Competition Act (DIVCA) and enabled the CPUC to adopt and enforce customer service standards. To that end, the CPUC hosted six public hearings on cable franchise administration as it starts to create rules to protect customers. On September 5, four staff and one board member traveled to Monterey Park to provide public comment. In addition, several other staff members and members have provided written comments. Overall, I estimate that about 70% of the comments received centered on PEG access issues, so I believe it will be difficult to ignore this when developing standards. We expect a report about the public hearings from the CPUC before the end of year. After that, the CPUC will conduct workshops with the parties (e.g. Alliance for Community Media, cable companies, etc.). Then, the CPUC will create standards, so we expect to wait some time before any change in treatment of PEG channels by cable companies.
- **Charter Cable Boxes Issues: Ongoing**
Between the studio and City Hall, we utilize several Charter Spectrum cable boxes to monitor our channels. In the past month or so, the boxes we've been using for years began deactivating. Upon inquiring, we were informed that they were end-of-lifing them all and issuing newer boxes. After 6 visits by various levels of technicians, four new boxes still do not function correctly and we are awaiting the replacement of some coaxial cable serving the control room at City Hall.
- **FY24 Audit: Final Draft Ready**
Our accountant and admin team has reviewed all of the information in the final draft Financial Statements in your packet tonight. We anticipate being able to move forward with preparation of our tax return with our accountant next week. This would give us enough time to get a draft in next month's board meeting and meet the November 15 IRS deadline.

Cable Complaint: | 6017069899326297170

noreply via Cable Complaint <Complaint@pasadenamedia.org>

Mon, Sep 9, 2024 at 9:06 AM

Cable Complaint

Name	Xxxxx Bxxxx
Address	### Fillmore St, Pasadena
E-mail	bxxxxxxxxx@hotmail.com
Phone Number	(626) ###-####
Location where the problem occurred.	Home
Choose your Cable Provider	Charter Spectrum
Type of Issue	Billing
Description of Issue	I canceled my Internet service on 8/27 and Spectrum disconnected my service that same day. However my billing cycle apparently is 8/26-9/25 and they are charging me for the service through the entire billing month even though I was unable to use it through the month because it was disconnected immediately. I am paying the bill on time but I dispute that this is a fair consumer practice in accordance with FTC consumer protections for cancellation of service.
Resolution Requested	I request a refund of \$104.07 as the prorated amount of service I was charged for but unable to use due to cancellation.

Regulatory.Complaints <Regulatory.Complaints@charter.com>

Mon, Sep 30, 2024 at 8:26 AM

Mr. Miller –

In accordance with Charter's terms of service, subscribers are responsible for the full monthly charge for services offered on a monthly subscription basis. Charter bills at the start of a billing cycle for services for the entire month. This policy is also listed on customers' billing statements each month.

If a subscriber maintains current services, there is no impact. If a subscriber terminates service in the middle of a billing cycle, the subscriber would not get a refund of any monthly fees paid, but that subscriber has the option of continuing to receive the service already purchased through the end of the billing cycle.

A representative contacted Mr. Bxxxx and reviewed the above information. Mr. Bxxxx stated that the agent with whom he canceled service did not remind him of the policy. Although billed correctly, we applied a courtesy credit to his account in the amount of \$104.07 as requested.

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

Regards,

Bill



William C. Wesselman | VP, Law - Regulatory | 303.323.6096

6360 S Fiddlers Green Circle | Greenwood Village CO 80111

Production Report – September 2024

Respectfully submitted by Bobbie Ferguson, Chief Production Officer

Type of Production	September 2024
Member Productions & Preproduction Meetings	8
Pasadena Media Productions - Studio	9
Pasadena Media Productions - Field (Includes <i>PMN</i>)	24
KPAS/City Productions	22
Pro Services	6
Special Projects	1

Program Highlights:

- Pasadena Media captured the Dr. Edna Griffin Dedication at the Rose Bowl Aquatics Center.
- Pasadena Media is again assisting the League of Women Voters by recording four of their events/meetings a year. The first in the series focused on the Pros and Cons of the Charter Amendments for the City of Pasadena.
- Pasadena Media provided coverage of the District 6 Town Hall meeting at Westridge School.
- Pasadena Media covered the announcement of the Rose Court for the 2025 Rose Parade at the Tournament House.
- The upcoming episode of *On The Move* features a discussion with Vice Mayor Steve Madison about the 710 Corridor Master Plan Update.
- The upcoming episode of *Pan and Zoom with Satie Gossett* features Lydia Cornell, who is best known for her starring role as Sara Rush, the daughter of Emmy legend Ted Knight (*The Mary Tyler Moore Show*, *Caddyshack*) on the hit ABC series *Too Close for Comfort*.
- Pasadena Media successfully completed the pro services projects for Western Justice Center, Pasadena Symphony and Pops and the University Club. Two clients have already mentioned hiring Pasadena Media for additional, longer-form projects coming later in the year.
- Pasadena Media captured a video for Pasadena Police Department Chief Harris to add to the PPD website to replace the written message.

Community Engagement Report – September 2024

Respectfully Submitted by Jasiri Jenkins-Glenn, Director of Community Engagement

Community Productions

- 3 Community Productions
- 2 Pre-production Session

Courses (# of students certified)

- TD Essentials: 5 Students
- Producer Bootcamp: 5 Students
- Previsualization Workshop: 3 Students
- Camera Essentials: 5 Students
- Podcaster Bootcamp: 7 Students
- Teleprompter, Floor Management, and On-Camera Essentials: 3 Students
- Storytelling Essentials: 5 Students
- Social Media Essentials: 1 Student
- Audio Essentials: 4 Students

Pasadena Media Productions

- *Non-Profit Spotlight*
 - [Living Beauty Cancer Foundation & Light Bringer Project \(youtu.be/xx1Z4tF4Kkc\)](https://youtu.be/xx1Z4tF4Kkc)
- *Pasadena Monthly with Justin Chapman*
 - [Lisa Derderian, PIO - City of Pasadena \(youtu.be/7Ku9yDOqvsk\)](https://youtu.be/7Ku9yDOqvsk)
- *Arroyo Now*
 - Encore episodes to take us into October 2024
- *Crown City Podcast*
 - [Melissa Lee, Public Works Partners \(youtu.be/FWTHlltLxLk\)](https://youtu.be/FWTHlltLxLk)
- *Access For All: Integrating Accessibility*
 - [James Ian, Actor \(youtu.be/CDSLogaV-tM\)](https://youtu.be/CDSLogaV-tM)

Community Partnerships

- PUSD honored all host sites from their summer internship program

Social Media

- YouTube
 - 5,094 views
 - 267.6 hours of watch time
 - 30 new subscribers
- Facebook
 - 2.1K reach (11.4% decrease)
 - 182 content interactions (19.1% decrease)
- Instagram
 - 2.7K reach (25.5% increase)
 - 450 content interactions (57.3% increase)
- LinkedIn
 - 59 Page Views
 - 29 Unique Visitors
 - 9 New Followers



October 1, 2024

To the Board of Directors
Pasadena Community Access Corporation
City of Pasadena, California

We have audited the financial statements of Pasadena Community Access Corporation, (the Corporation), a component unit of the City of Pasadena, California (the City), which comprise the respective financial position as of June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 13, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2024. We noted no transactions entered into by the Corporation 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 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. The most sensitive estimates affecting the Corporation's financial statements were:

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such disagreements arose during the course of our audit.



To the Board of Directors
Pasadena Community Access Corporation
City of Pasadena, California

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 1, 2024.

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 Corporation's financial statements or a determination of the type of auditor's 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.

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 102, *Certain Risk Disclosures*.



To the Board of Directors
Pasadena Community Access Corporation
City of Pasadena, California

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements*.

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Pre-Agenda Research Activities, *Subsequent Events*.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Corporation and the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Solt & Lughard, LLP



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

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

DRAFT

Focused
on YOU



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

Financial Statements With
Independent Auditors' Report

For the Fiscal Year Ended June 30, 2024

DRAFT

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(A COMPONENT UNIT OF THE
CITY OF PASADENA, CALIFORNIA)

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Independent Auditors' Report

For the Fiscal Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pasadena Community Access Corporation
Pasadena, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Pasadena Community Access Corporation (the "Corporation"), a component unit of the City of Pasadena, California (the "City"), as of and for the year ended June 30, 2024, 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, 2024, 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 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 Auditor's 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 Matter

Component Unit Reporting

As discussed in Note 1, the financial statements of the Corporation are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities of the City that is attributable to the transactions of the Corporation. They do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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.



To the Board of Directors
Pasadena Community Access Corporation
Pasadena, California

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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 auditing standards generally accepted in the United States of America, 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.



To the Board of Directors
Pasadena Community Access Corporation
Pasadena, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024, 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 solely 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 the 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.

Lance, Soll & Lughard, LLP

Brea, California
October 1, 2024

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PASADENA COMMUNITY ACCESS CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024. Please read it in conjunction with the Corporation's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The Corporation's net position for the fiscal year ending June 30, 2024, was \$803,598, a decrease of \$166,920 or 17.2% from the prior year.
- During the year, the Corporation had operating expenses that were \$50,488 more than the \$1,139,320 generated from the operating agreement, service contracts, and other revenues from the Corporation's programs from the fiscal year ended June 30, 2024.
- The total operating cost of all the Corporation's programs was \$1,189,808. 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 8 and 9) 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. There were no non-cash entries during the year.

Reporting the Corporation's Results as a Whole

Our analysis of the Corporation as a whole begins on page 5. 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 the 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 this 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.

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 decreased from a year ago, from \$970,518 to \$803,598. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Corporation's activities.

Table 1

	June 30, 2024	June 30, 2023
Current and other assets	\$634,103	\$991,498
Capital assets, net	678,518	79,068
Total assets	1,312,621	1,070,566
Current liabilities	(279,848)	(100,048)
Noncurrent liabilities	(229,175)	-
Total liabilities	(509,023)	(100,048)
Net position:		
Net investment in capital assets	273,391	51,281
Restricted	182,052	555,842
Unrestricted	348,155	363,395
Total Net Position	\$803,598	\$970,518

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 \$363,395 at June 30, 2023, to \$348,155 at the end of this fiscal year. This nominal decrease is a result of the Corporation's normal operation. Unless restricted by donation or grant covenant (of which the Corporation has no such restrictions at the present time), the Corporation generally can use this net position to finance continuing operations in the coming fiscal year.

Table 2

	For the Year Ended June 30, 2024	For the Year Ended June 30, 2023	Percentage Change From 2023
Revenues			
Operating revenues:			
Operating Agreement	\$1,095,000	\$1,052,000	4.1%
Service contracts	22,000	22,000	0.0%
Production and other operating revenue	22,320	19,662	13.5%
Total operating revenues	1,139,320	1,093,662	4.2%
Nonoperating revenues:			
Public, education & gov't (PEG) revenue	217,187	190,581	14.0%
Interest income	62	61	1.6%
Total nonoperating revenues	217,249	190,642	14.0%
Total revenues	1,356,569	1,284,304	5.6%
Operating expenses:			
Salaries and benefits	811,951	772,228	5.1%
Production expense	29,519	19,487	51.5%
Occupancy expense	42,396	41,358	2.5%
Contractual services	43,040	28,200	52.6%
General and administrative	49,105	47,094	4.3%
Depreciation and amortization	213,797	194,265	10.1%
Total operating expenses	1,189,808	1,102,632	7.9%
Nonoperating expenses:			
PEG expense	332,315	89,568	271.0%
Interest expense	1,366	263	419.4%
Total nonoperating expenses	333,681	89,831	271.5%
Total expenses	1,523,489	1,192,463	27.8%
Changes in net position	-166,920	91,841	-281.8%
Net position at beginning of year	970,518	878,677	10.5%
Net position at end of year	\$803,598	\$970,518	-17.2%

Although the Corporation's total cost of programs and services had a net increase of 27.8% (\$331,026), a closer look shows that Operating expenses increased just 7.9% (\$87,176), while PEG expenses increased 271.0% from \$89,568 to \$332,315. The Corporation's revenues had a net increase of 5.6% (\$72,265), resulting from a combination of increased Operating revenues and increased 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 \$1,144,000 for the fiscal year ended June 30, 2024. Actual operating revenues were \$4,680 less than budget, and operating expenses were \$45,545 more than budget.

CAPITAL ASSETS

At the end of 2024, the Corporation had \$678,518 invested in capital assets, net of accumulated depreciation. (See Table 3 below.) This amount represents a net increase (including additions and disposals) of \$599,450 or 758% more than last year.

Table 3

	June 30, 2024	June 30, 2023
Production equipment	\$708,934	\$449,400
Leasehold improvements	101,091	93,897
Leased building	546,521	343,106
Accumulated depreciation and amortization	(678,028)	(807,335)
Property and equipment, net	<u>\$678,518</u>	<u>\$79,068</u>

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

LONG-TERM LIABILITIES

The outstanding balance of the lease payable related to its leased office and production facilities was \$405,127 and \$27,787 as of June 30, 2024 and 2023 respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Corporation's Board of Directors considered many factors when setting the fiscal year 2025 budget. The most significant budget expense increase is in personnel salary market adjustments.

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 Corporation 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, 2024

ASSETS

Current assets:		
Cash and cash equivalents	\$	423,174
Accounts receivable		1,049
Prepaid items		11,388
Deposits		16,440
Restricted cash and cash equivalents		182,052
Total current assets		<u>634,103</u>
Noncurrent:		
Capital assets, net		<u>678,518</u>
Total noncurrent assets		<u>678,518</u>
Total assets		<u>1,312,621</u>

Liabilities and Net Position:

LIABILITIES

Current liabilities:		
Accounts payable and other liabilities		24,122
Accrued salaries and benefits		37,238
Compensated absences		42,536
Lease payable		175,952
Total current liabilities		<u>279,848</u>
Noncurrent liabilities:		
Lease payable		<u>229,175</u>
Total noncurrent liabilities		<u>229,175</u>
Total liabilities		<u>509,023</u>

NET POSITION

Net investment in capital assets		273,391
Restricted for Public, Educational and Governmental Access		182,052
Unrestricted		348,155
Total net position	\$	<u>803,598</u>

The accompanying notes are an integral part of these financial statements.

PASADENA COMMUNITY ACCESS CORPORATION
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

OPERATING REVENUES

Operating agreement	\$ 1,095,000
Service contracts	22,000
Production and other operating revenue	22,320

Total operating revenues	<u>1,139,320</u>
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OPERATING EXPENSES

Salaries and benefits	811,951
Production expense	29,519
Occupancy expense	42,396
Contractual services	43,040
General and administrative	49,105
Depreciation/amortization	213,797

Total operating expenses	<u>1,189,808</u>
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Operating income (loss)	(50,488)
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NONOPERATING REVENUES (EXPENSES)

Public, education, and government (PEG) revenue	217,187
Interest expense	(1,366)
PEG expense	(332,315)
Interest income	62

Total nonoperating revenues (expenses)	<u>(116,432)</u>
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Change in net position	(166,920)
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Net position-beginning	<u>970,518</u>
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Net position-ending	<u>\$ 803,598</u>
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The accompanying notes are an integral part of these financial statements.

PASADENA COMMUNITY ACCESS CORPORATION
Statement of Cash Flows
For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 18,300
Receipts from contracts	1,120,556
Payments to employees for services	(795,007)
Payments to suppliers for goods and services	(149,924)

Net cash provided by (used for) operating activities 193,925

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Public, education, and government (PEG) revenue received from City of Pasadena	217,187
Public, education, and government (PEG) eligible expenses paid	(332,315)

Net cash provided by (used for) noncapital financing activities (115,128)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(266,726)
Principal paid on lease liability	(169,180)
Interest paid on lease liability	(1,402)

Net cash provided by (used for) capital and related financing activities (437,308)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	62
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Net cash provided by (used for) investing activities 62

Net cash increase (decrease) in cash and cash equivalents **(358,449)**

Cash and Cash Equivalents - Beginning 963,675

Cash and Cash Equivalents - Ending \$ 605,226

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION

Cash and cash equivalents	\$ 423,174
Restricted cash and cash equivalents	182,052

Total cash and cash equivalents \$ 605,226

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

Operating income (loss) \$ (50,488)

Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

Depreciation/amortization expense	213,797
(Increase) decrease in accounts receivable	3,556
(Increase) decrease in deposits	(4,020)
(Increase) decrease in prepaid items	(590)
Increase (decrease) in accounts payable and other liabilities	14,726
Increase (decrease) in accrued salaries and benefits	13,690
Increase (decrease) in compensated absences	3,254

Total adjustments 244,413

Net cash provided by (used for) operating activities \$ 193,925

The accompanying notes are an integral part of these financial statements.

PASADENA COMMUNITY ACCESS CORPORATION
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Pasadena Community Access Corporation (the Corporation), a component unit of the City of Pasadena, California (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Pasadena Community Access Corporation's significant accounting policies are described below.

A. Reporting Entity

The Corporation was organized in 1983 as a nonprofit telecommunications resource for 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 (GAAP).

The Board of Directors consists of eleven 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 Comprehensive Annual Financial Report consistent with 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. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

The Corporation's cash and cash equivalents include cash on hand, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Pasadena Community Access Corporation's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

3. 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 lease assets) and are depreciated or amortized (for lease 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 asset or remeasurements of lease liability (for lease assets) are capitalized.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the leased building, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Leasehold improvements	6 years
Furniture and fixtures	5 years
Production equipment	5 years
Leased Building	3 years

4. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Corporation will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the Corporation's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

5. Leases

Lessee: 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 lease asset (lease asset) in the government-wide financial statements. The Corporation recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Corporation determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Corporation uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Corporation generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Corporation is reasonably certain to exercise.

The Corporation 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.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

E. Revenues and Expenditures/Expenses

1. Compensated Absences

Vacation

The Corporation's policy permits employees to accumulate earned but unused vacation benefits. 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.

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

PASADENA COMMUNITY ACCESS CORPORATION
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS

As of June 30, 2024, cash and cash equivalents were reported in the accompanying financial statements:

Cash on hand	\$	200
Deposits with financial institutions		422,974
Deposits with financial institutions - Restricted		<u>182,052</u>
Total cash and cash equivalents	\$	<u>605,226</u>

A. Deposits

At June 30, 2024, the carrying amount of the Corporation's deposits was \$605,226 and the bank balance was \$605,226. These matching amounts represent no outstanding checks or 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 funds in a credit union totaling \$124,054. This amount is insured by the National Credit Union Administration (NCUA) up to \$250,000.

B. 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, 2024 was \$182,052.

C. 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 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 deposit 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, 2024, the Corporation had uncollateralized deposits in excess of FDIC coverage of \$230,972.

PASADENA COMMUNITY ACCESS CORPORATION
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

D. Investments Authorized by the California Government Code and the Corporation's Investment Policy

The table below identifies the investment types that are authorized for the Corporation by the California Government Code and the Corporation's investment policy. The table also identifies certain provisions of the California Government Code (or the Corporation's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Corporation, rather than the general provisions of the California Government Code or the Corporation's 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 Year	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

PASADENA COMMUNITY ACCESS CORPORATION
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

E. 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 year ended June 30, 2024.

F. 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, 2024.

G. Concentration of Credit Risk

In accordance with GASB Statement No. 40 requirements, the Corporation is considered to be exposed to the 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, 2024.

NOTE 3: CAPITAL ASSETS

Capital assets for the year ended June 30, 2024, were as follows:

	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance at June 30, 2024</u>
Capital assets being depreciated and amortized:				
Production Equipment	\$ 449,402	\$ 259,532	\$ -	\$ 708,934
Leasehold Improvements	93,897	7,194	-	101,091
Leased Building	343,106	546,521	343,106	546,521
Total Capital Assets Being Depreciated and Amortized	886,405	813,247	343,106	1,356,546
Less accumulated depreciation and amortization for:				
Production Equipment	(405,992)	(30,150)	-	(436,142)
Leasehold Improvements	(86,073)	(8,105)	-	(94,178)
Leased Building	(315,272)	(175,542)	(343,106)	(147,708)
Total Accumulated Depreciation and Amortization	(807,337)	(213,797)	(343,106)	(678,028)
Total capital assets	<u>\$ 79,068</u>	<u>\$ 599,450</u>	<u>\$ -</u>	<u>\$ 678,518</u>

PASADENA COMMUNITY ACCESS CORPORATION
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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 \$18,014 to the Plan for the year ended June 30, 2024.

NOTE 5: LEASE PAYABLE

Changes in the lease payable as of June 30, 2024, were as follows:

Balance June 30, 2023	Additions	Reductions	Balance of June 30, 2024	Amount Due Within One Year	Amount Due in More than One Year
\$ 27,787	\$ 546,520	\$ 169,180	\$ 405,127	\$ 175,952	\$ 229,175

The Corporation leases office and production facilities in Pasadena, California, under a noncancellable lease agreement. The lease term expires August 31, 2026. The lease payable was determined utilizing an estimated discount rate of 0.218%. Effective September 1, 2023, the monthly payment was \$15,797.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 175,952
2026	179,874
2027	49,301
Total	\$ 405,127

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

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. This franchise fee is considered General Fund revenue for the City and the funding amount for the Corporation is at the discretion of the Pasadena City Council.

PASADENA COMMUNITY ACCESS CORPORATION
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 6: OTHER PROVISIONS OF REVENUE AND CONTRACTS (CONTINUED)

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 twenty-five (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 one percent (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 grants solely for PEG related purposes.

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 \$217,178 of PEG funding during the year ended June 30, 2024. 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, 2024, were as follows:

Beginning Restricted Cash/Net Position	\$ 555,842
PEG Grant:	
PEG Revenue Received	217,178
PEG Disbursements for Capital Grants/Equipment	<u>(590,968)</u>
PEG Grant, net current year activity	<u>(373,790)</u>
Ending Restricted Cash/Net Position	<u>\$ 182,052</u>

NOTE 8: CONCENTRATIONS OF REVENUE

For the year ended June 30, 2024, 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 97% of the Corporation's total revenue.

PASADENA COMMUNITY ACCESS CORPORATION
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 9: COMPENSATED ABSENCES

Changes in compensated absences as of June 30, 2024, were as follows:

Balance at June 30, 2023	Incurred	Satisfied	Balance at June 30, 2024	Amount Due Within One Year
\$ 39,282	\$ 21,998	\$ 18,744	\$ 42,536	\$ 42,536

NOTE 10: RISK MANAGEMENT

The Corporation is covered under Special Liability and Property policies through Nonprofits Insurance Alliance of California (NIAC), a Participant Accident policy through Alliant Insurance Services, Inc., and a Workers' Compensation policy through Hartford Accident and Indemnity Company. Liability, Participant Accident, and Workers' Compensation claims are insured up to \$1,000,000 per occurrence for any amount over the Corporation's deductible amount of \$1,000. Property claims are insured up to \$475,000 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 accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Corporation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Corporation and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ending June 30, 2024.

The Corporation files Form 990 in the U.S. federal jurisdiction and Form 199 in the State of California.

NOTE 12: RELATED PARTY TRANSACTIONS

The City bills the Corporation for advances and services rendered on the Corporation's behalf. Advances and services provided to the Corporation for the year ended June 30, 2024, was \$20,000. The Corporation had an amount payable to the City in the amount of \$20,000 as of June 30, 2024.

NOTE 13: SUBSEQUENT EVENTS

The Corporation evaluated subsequent events for recognition and disclosure through October 1, 2024, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.



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*

To the Board of Directors
Pasadena Community Access Corporation
Corporation of 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, California (the "Corporation"), a component unit of the City of Pasadena, California (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 1, 2024.

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 opinions 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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.



To the Board of Directors
Pasadena Community Access Corporation
Corporation of Pasadena, California

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.

Lance, Soll & Lughard, LLP

Brea, California
October 1, 2024

DRAFT