

Rmolloy Verizon Comcast income trending into ACAM August 2020

Robert Molloy Treasurer ACAM, August 2020

This report was reviewed, discussed and approved by ACAM Board of Directors at the ACAM Board of Directors meeting of August 25, 2020.

This report was approved by the Board of Directors to be included as a report/document of the 2019 ACAM Annual Report.

ACAM Income Cable Provider Source Income Trending

The annual source of revenue of ACAM is provided by Comcast and Verizon Quarterly payments. A ten year graph showing payments received is below. Year 2020 shown is reflecting 3 of 4 Quarterly payments received. The next payment is due in November 2020. Payments received in Quarters 2 and 3 averaged \$68,572. Using this average for Quarter 4, Year end 2020 is projected for \$275,261. Checks are issued February, May, August, and November.

ACAM 2010-2020 (2020 YTD) Comcast and Verizon Payments



A peak income year was 2017 with \$300,095 allocated with quarterly payments.

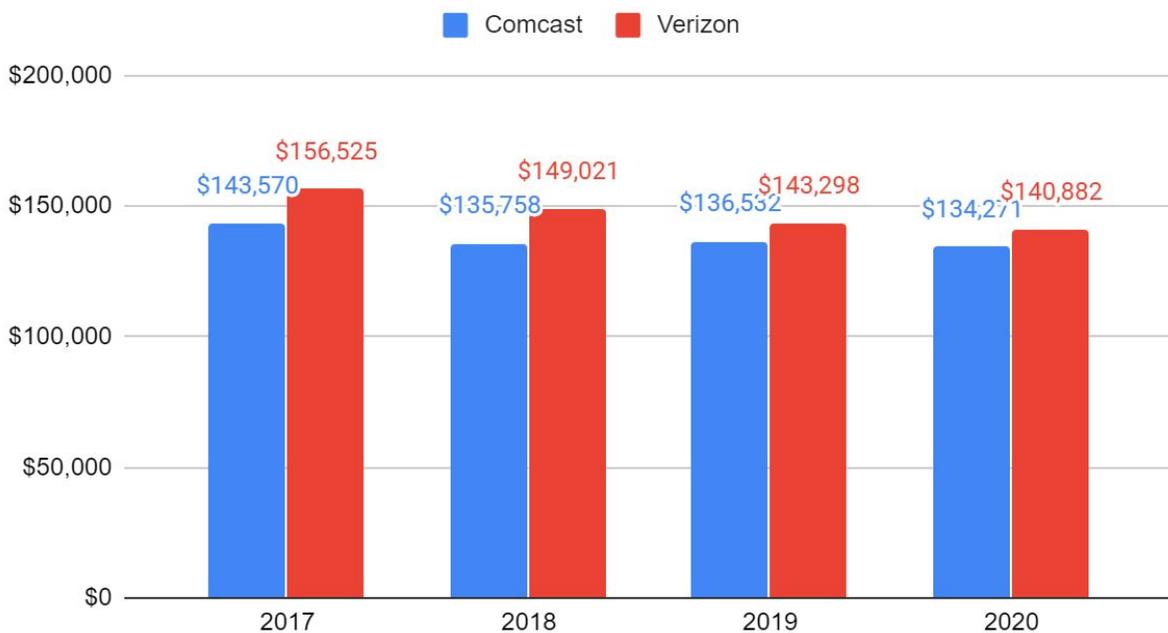
There has been a downward trend which is likely associated with the “cutting of the cord” phenomenon. Households nationwide including in our town of Abington are turning to alternative media streaming sources and not purchasing television cable service subscriptions which has a direct impact on franchise fees to Comcast and Verizon, and in turn revenue coming into ACAM.

	2017	2018	2019	2020
ACAM Yearly Income	\$300,095	\$284,779	\$279,831	\$275,261

				*projected
observed decrease		5.10%	1.74%	1.63%
Average since 2011				\$267,082
Average w/o 2017 high				\$263,414

Reviewing the trending of Verizon and Comcast annual payments since 2017, the observation is they have been consistently decreasing, near 2% each year. While ACAM has a cash reserve to minimize an impact in the short term, this will need to continue to be monitored for what, if any consequence of liabilities ACAM can take on, including the potential consideration of fundraising activities. Based on good stewardship ACAM has sufficient cash assets available at this time and fundraising is not a short term need.

Comcast and Verizon 2017 - 2020



In summary - ACAM is funded by the financial resources provided by Comcast and Verizon through their association as cable providers in the town of Abington. Residents pay franchise fees which the carriers pass along to ACAM as quarterly payments.

ACAM has embraced and utilized social media and popular websites to post and share relevant to Abington citizens - events and activities, in a public service "like" capacity. This effort supports the intent of ACAM being a responsible community member. At this time sharing ACAM content outside of PEG channel broadcast has no revenue stream nor is access to such content restricted in any way so as to limit access to only those town residents who pay television cable bill franchise fees which reach ACAM. There may come a time where a subscription model could be considered for access to such content. There are no plans for ACAM to move to a subscription model at this time, it is only a potential and down the road consideration for review if revenue reductions deem it necessary.

ACAM leadership and community members must be observant to the trends of income supporting and funding the ACAM operations, based on the reliance of Verizon and Comcast customer television cable service retention and the funding directly corresponding to ACAM.