

**SACRAMENTO COMMUNITY CABLE  
FOUNDATION  
DBA ACCESS SACRAMENTO  
(A California Nonprofit Corporation)**

**FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To The Board of Directors  
Sacramento Community Cable Foundation  
DBA Access Sacramento  
(A California Nonprofit Corporation)

We have reviewed the statement of financial position of Sacramento Community Cable Foundation, DBA Access Sacramento (A California Nonprofit Corporation) as of June 30, 2011 and the related statements of activity, changes in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit. The objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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

Sacramento, CA  
November 1, 2011

SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO  
(A California Nonprofit Corporation)

**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2011**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 342,082
Cash - reserve funds (Note 5)	50,000
Prepaid Insurance	<u>4,003</u>
Total current assets	<u>396,085</u>

**FURNITURE AND EQUIPMENT (Notes 1 and 6)**

Furniture and equipment	1,039,477
Less accumulated depreciation	<u>760,890</u>
Net property and equipment	<u>278,587</u>

Total assets	<u>\$ 674,672</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 6,115
Accrued vacation (Note 7)	<u>11,326</u>
Total current liabilities	17,441

**NET ASSETS**

Unrestricted	498,046
Temporarily Restricted	<u>159,185</u>
Total liabilities and net assets	<u>\$ 674,672</u>

See accountants' review report and  
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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**STATEMENT OF ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2011**

**SUPPORT AND REVENUE**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SMCTC Grant (Note 3)	\$ 392,532		\$ 392,532
PEG Capital & Facilities Grant (Note 7)	208,815	\$ 159,185	368,000
CA Endowment Grant (Note 3)	100,000		100,000
Interest income	1,840		1,840
Memberships	22,447		22,447
Film Festival	8,392		8,392
Underwriting	3,500		3,500
User/rental fees	18,295		18,295
Training fees	9,927		9,927
Contracted Production	10,970		10,970
Donations	7,532		7,532
In-Kind Donations	4,768		4,768
Hometown TV Grant	96,679		96,679
Fundraising	475		475
Total support and revenue	<u>\$ 886,172</u>	<u>\$ 159,185</u>	<u>\$ 1,045,357</u>
 Operating Expenses			
Personnel			
Executive Director	\$ 71,698		\$ 71,698
Office Coordinator	26,266		26,266
Programming Director	39,047		39,047
Chief Technician	16,579		16,579
Community Outreach Coordinator	973		973
Hometown TV Salary/Contracted	71,229		71,229
Digital Media Coordinator	22,785		22,785
On-Call Production/Office	37,529		37,529
Radio Production Coordinator	15,486		15,486
Playback Operator and Assistant	28,156		28,156
Production Director - #1	50,348		50,348
Multi-Media Projects Coordinator	31,852		31,852
Fundraising/Underwriter Coordinator	688		688
Total Personnel	<u>\$ 412,636</u>		<u>\$ 412,636</u>

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SACRAMENTO COMMUNITY CABLE FOUNDATION  
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**STATEMENT OF ACTIVITY  
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Burden			
Payroll Tax Expense	\$ 33,437		\$ 33,437
Medical Insurance	32,667		32,667
Retirement Plan	10,276		10,276
Workers' Compensation	<u>7,036</u>		<u>7,036</u>
 Total Burden	 <u>83,416</u>		 <u>83,416</u>
 Total Personnel and Burden	 <u>496,052</u>		 <u>496,052</u>
Occupancy			
Building - Rent Expense	44,640		44,640
Security	2,968		2,968
Utilities	10,450		10,450
Insurance	<u>14,471</u>		<u>14,471</u>
 Total Occupancy	 <u>72,529</u>		 <u>72,529</u>
 General Administration			
Office Expense	14,365		14,365
Telephone	5,588		5,588
Postage	3,290		3,290
Printing	747		747
Subscriptions & Publications	818		818
Legal & Accounting	14,396		14,396
Community Relation	10,643		10,643
Mileage, Parking & Travel	1,808		1,808
Promo & Advertising	3,883		3,883
Scholarships	375		375
Training	17,274		17,274
Festival	<u>3,391</u>		<u>3,391</u>
 Total General Administration	 <u>\$ 76,578</u>		 <u>\$ 76,578</u>

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**STATEMENT OF ACTIVITY  
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Production			
Tape Stock	\$ 2,054		\$ 2,054
Maintenance, Parts, etc.	<u>21,585</u>		<u>21,585</u>
Total Production	<u>23,639</u>		<u>23,639</u>
In-Kind Expenses	<u>4,768</u>		<u>4,768</u>
Equipment			
Depreciation	<u>65,081</u>		<u>65,081</u>
Total expenses	<u>738,647</u>		<u>738,647</u>
Increase (decrease) in net assets	<u>\$ 147,525</u>	<u>\$ 159,185</u>	<u>\$ 306,710</u>

See accountants' review report and  
 notes to financial statements.

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**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>2011 Total</u>
NET ASSETS, BEGINNING OF YEAR	\$ 350,521	\$ 0	\$ 350,521
INCREASE (DECREASE) IN NET ASSETS --CURRENT YEAR	<u>147,525</u>	<u>159,185</u>	<u>306,710</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 498,046</u>	<u>\$ 159,185</u>	<u>\$ 657,231</u>

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SACRAMENTO COMMUNITY CABLE FOUNDATION  
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**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets	\$ 306,710
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
(Increase) in prepaid insurance	(4,003)
Depreciation	65,081
(Decrease) in accounts payable	<u>(894)</u>
Net cash provided by operating activities	<u>366,894</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of fixed assets	<u>(208,815)</u>
Net increase in cash	158,079
CASH, BEGINNING OF YEAR	<u>234,003</u>
CASH, END OF YEAR	<u>\$ 392,082</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General

Sacramento Community Cable Foundation dba Access Sacramento (the Foundation) is a publicly supported organization, incorporated in 1985. The Foundation's objective is to support, manage, produce and distribute noncommercial, community-based media programs in the Sacramento area. In addition, the Foundation operates a computer media lab that provides digital production and editing assistance as well as computer media and web design classes to the public in the Sacramento area. The Media Lab's main source of support is from fundraising, grants, and membership fees.

Basis of Accounting

The accounts of the Foundation are maintained on the basis of cash receipts and disbursements; however, the accompanying financial statements have been adjusted to reflect the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

Since the Foundation is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Foundation uses the same accounting methods for tax and financial reporting. GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Foundation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Foundation's returns for years ended June 30, 2009, 2010, and 2011, are subject to examination by federal and state taxing authorities, generally for three years after they are filed.

Furniture and Equipment

Furniture and equipment purchased by the Foundation are recorded at cost. The Foundation uses the straight-line method in computing depreciation over the estimated useful lives of the assets. The Foundation capitalizes property and equipment with a purchase price of \$1,000 or more.

Financial Statement Presentation

Under GAAP, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. There were no permanently restricted net assets at June 30, 2011.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

Cash and Cash Equivalents

For purposes of statement of financial position presentation and reporting of cash flows, the Foundation considers all unrestricted demand deposits, money market funds and highly liquid debt instruments with a maturity of less than 90 days to be cash and cash equivalents.

Contributions

In accordance with GAAP, contributions to be received in the future are to be recorded at their present value.

Functional Expense Reporting

The costs of providing the Foundation's programs have been summarized by natural classification in the financial statements. Based on estimates developed by management, the cost of program services was \$522,961, the cost of support services was \$181,905, the cost of fundraising was \$33,781, and the total expenses were \$738,647.

**NOTE 2 - OPERATING LEASE COMMITMENT**

The Foundation leases office and production space under a non-cancelable operating lease expiring in October 2012. Rent expense for the twelve months ended June 30, 2011 was \$44,640. Future minimum rental payments under this operating lease are as follows:

<u>Year ended June 30</u>	<u>Minimum Rental Payment</u>
2012	44,640
2013	<u>14,808</u>
	<u>\$ 59,448</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 3 - CONCENTRATION OF RISK**

The Foundations maintains its cash in bank accounts that, at times, may not be covered by federal insurance. The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risks related to cash.

Approximately 82% of the Foundation's revenues were provided by The Sacramento Metropolitan Cable Television Commission. The Foundation received a total of \$857,211 from SMCTC for operations and equipment.

**NOTE 4 - RETIREMENT PLAN**

The Foundation adopted the Access Sacramento 403(b) retirement plan. The Foundation's contributions are 5% of the annual salary of eligible employees. During the year ended June 30, 2011, the Foundation's contributions to the plan were \$10,276.

**NOTE 5 - CASH - RESERVE FUNDS**

The Foundation has restricted these funds for emergency purposes as defined by the Board of Directors. These funds are held with unencumbered funds in the Foundation's cash accounts.

**NOTE 6 - FIXED ASSETS**

The following is a summary of the foundations fixed assets as of June 30, 2011.

<u>Description</u>	<u>Useful Life</u>	<u>Amount</u>
Production Vans	5 years	\$ 56,641
Production and Office Equipment	5 to 10 years	<u>982,836</u>
Total Fixed Assets		1,039,477
Less Accumulated Depreciation		<u>760,890</u>
Net Fixed Assets		<u>\$ 278,587</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 7 – TEMPORARILY RESTRICTED FUNDS**

The Foundation received grant money from Sacramento Metropolitan Cable Television Commission (SMCTC), a portion of which is designated as PEG (Public, Educational and Governmental Access Channel Fees) grant money with a donor restriction that it be spent specifically on Capital and Facility improvements and acquisitions. The Foundation received PEG grant funding totaling \$368,000 and spent \$208,815 on qualifying capital expenditures leaving a balance of \$159,185. The Foundation expects to spend the remainder of the funds in the next fiscal year on capital acquisitions. As such, \$159,185 remains temporarily restricted as of June 30, 2011.

**NOTE 8 – COMPENSATED ABSENCES**

The Foundation has paid vacation and sick leave policy based on length of employment and other factors. The expense and related liability is recognized as the benefit accrues to the employee under the paid vacation policy. The paid sick leave policy is non-vesting and no expense or liability is recorded.

**NOTE 9 – SUBSEQUENT EVENTS**

In preparing these financial statements, Sacramento Community Cable Foundation, dba Access Sacramento has evaluated events and transactions for potential recognition or disclosure through November 1, 2011, the date the financial statements were available to be issued.