

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

**FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 and 2012**

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

TABLE OF CONTENTS

Independent Accountant’s Review Report 1

Financial Statements

 Statement of Financial Position 2

 Statement of Financial Activity 3-4

 Statement of Changes in Net Assets 5

 Statement of Cash Flows 6

 Notes to Financial Statements 7-11

 **Balarsky & Associates, CPA's**

6920 FAIR OAKS BLVD., SUITE 105
CARMICHAEL, CALIFORNIA 95608

Phone: (916) 921-2600 • Fax: (916) 921-1485

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 accompanying statement of financial position of Sacramento Community Cable Foundation, DBA Access Sacramento (A California Nonprofit Corporation) as of June 30, 2013 and 2012 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 Organization 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 accounting principles generally accepted in the United States of America.



Balarsky & Associates, CPA's
Carmichael, CA

November 18, 2013

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013 and 2012**

ASSETS	2013	2012
Current Assets		
Cash	\$ 366,814	\$ 373,225
Cash - Reserve Funds (Note 5)	50,000	50,000
Prepaid Insurance	-	4,613
Total Current Assets	416,814	427,838
Furniture and Equipment (Notes 1 and 6)		
Furniture and Equipment	1,330,409	1,239,601
Less Accumulated Depreciation	974,947	856,450
Net Property and Equipment	355,462	383,151
TOTAL ASSETS	\$ 772,276	\$ 810,989
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	7,613	7,986
Accrued Vacation (Note 7)	\$ 23,260	\$ 25,271
Total Current Liabilities	30,873	33,257
Net Assets		
Unrestricted	538,087	688,846
Temporarily Restricted	203,316	88,886
Total Net Assets	741,403	777,732
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 772,276	\$ 810,989

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
SMCTC Grant (Note 3)	\$ 490,861	\$ -	\$ 490,861	\$ 489,851	\$ -	\$ 489,851
Grants Foundation	4,270	-	4,270	-	-	-
PEG Capital & Facilities Grant (Note 7)	163,684	203,316	367,000	279,125	88,886	368,011
Release of Restriction - Prior Year Correction (Note 7)				122,035	(122,035)	-
Release of Restriction - Current Year (Note 7)	88,886	(88,886)	-	37,150	(37,150)	-
Interest Income	679	-	679	935	-	935
Memberships	23,262	-	23,262	22,664	-	22,664
Film Festival	12,705	-	12,705	7,355	-	7,355
Underwriting	5,702	-	5,702	4,000	-	4,000
User/Rental Fees	4,885	-	4,885	14,567	-	14,567
Training Fees	11,007	-	11,007	11,649	-	11,649
Contracted Production	9,657	-	9,657	10,263	-	10,263
Donations	5,020	-	5,020	4,611	-	4,611
In-Kind Donations	15,000	-	15,000	15,000	-	15,000
Fundraising	11,850	-	11,850	573	-	573
Total Support and Revenue	847,468	114,430	961,898	1,019,778	(70,299)	949,479
Operating Expenses						
Personnel						
Executive Director	80,903	-	80,903	74,170	-	74,170
Office Coordinator	27,039	-	27,039	26,456	-	26,456
Programming Director	40,876	-	40,876	43,350	-	43,350
Chief Technician	15,533	-	15,533	16,589	-	16,589
Community Outreach Coordinator	517	-	517	850	-	850
Hometown TV Salary/Contracted	64,505	-	64,505	61,026	-	61,026
Digital Media Coordinator	24,638	-	24,638	31,866	-	31,866
On-Call Production/Office	62,362	-	62,362	68,304	-	68,304
Radio Production Coordinator	23,788	-	23,788	22,890	-	22,890
Playback Operator and Assistant	23,230	-	23,230	23,310	-	23,310
Production Director - #1	45,391	-	45,391	55,270	-	55,270
Multi-Media Projects Coordinator	25,437	-	25,437	27,922	-	27,922
Temp Help	20,003	-	20,003	-	-	-
Fundraising/Underwriter Coordinator	11,250	-	11,250	1,063	-	1,063
Total Personnel	465,472	-	465,472	453,066	-	453,066
Burden						
Payroll Tax Expense	40,028	-	40,028	42,078	-	42,078
Medical Insurance	35,339	-	35,339	36,451	-	36,451
Retirement Plan	16,438	-	16,438	9,898	-	9,898
Workers' Compensation	4,099	-	4,099	3,332	-	3,332
Total Burden	95,904	-	95,904	91,759	-	91,759

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

**STATEMENT OF FINANCIAL ACTIVITY (Continued)
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Occupancy						
Building - Rent Expense	56,033	-	56,033	44,863	-	44,863
Security	3,000	-	3,000	4,093	-	4,093
Utilities	11,429	-	11,429	11,332	-	11,332
Insurance	16,188	-	16,188	15,394	-	15,394
Total Occupancy	<u>86,650</u>	<u>-</u>	<u>86,650</u>	<u>75,682</u>	<u>-</u>	<u>75,682</u>
General Administration						
Office Expense	5,105	-	5,105	24,105	-	24,105
Telephone	5,609	-	5,609	5,190	-	5,190
Postage	2,616	-	2,616	3,204	-	3,204
Printing	409	-	409	1,553	-	1,553
Subscriptions & Publications	1,108	-	1,108	1,019	-	1,019
Legal & Accounting	18,884	-	18,884	14,598	-	14,598
Community Relations	13,115	-	13,115	9,335	-	9,335
Scholarships	450	-	450	-	-	-
Mileage, Parking & Travel	1,645	-	1,645	3,068	-	3,068
Promo & Advertising	6,568	-	6,568	5,026	-	5,026
Training	10,508	-	10,508	1,010	-	1,010
Festival	4,823	-	4,823	2,828	-	2,828
Total General Administration	<u>70,840</u>	<u>-</u>	<u>70,840</u>	<u>70,936</u>	<u>-</u>	<u>70,936</u>
Production						
Tape Stock	2,854	-	2,854	2,192	-	2,192
Program Guide / Viewfinder	589	-	589	1,814	-	1,814
Maintenance, Parts, etc.	69,544	-	69,544	22,969	-	22,969
Total Production	<u>72,987</u>	<u>-</u>	<u>72,987</u>	<u>26,975</u>	<u>-</u>	<u>26,975</u>
In-Kind Expenses	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Equipment						
Leased Server Storage	72,877	-	72,877	-	-	-
Depreciation	118,497	-	118,497	95,560	-	95,560
Total Operating Expenses	<u>998,227</u>	<u>-</u>	<u>998,227</u>	<u>828,978</u>	<u>-</u>	<u>828,978</u>
Change in Net Assets - Unrestricted	<u>\$ (150,759)</u>	<u>\$ 114,430</u>	<u>\$ (36,329)</u>	<u>\$ 190,800</u>	<u>\$ (70,299)</u>	<u>\$ 120,501</u>

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets, Beginning of Year 2012	\$ 498,046	159,185	\$ 657,231
Prior Year Net Assets Released from Restriction	159,185	(159,185)	-
Increase (Decrease) in Net Assets	<u>31,615</u>	<u>88,886</u>	<u>120,501</u>
Net Assets, Beginning of Year 2013	688,846	\$ 88,886	777,732
Prior Year Net Assets Released from Restriction	88,886	(88,886)	-
Increase (Decrease) in Net Assets	<u>(239,645)</u>	<u>203,316</u>	<u>(36,329)</u>
Total Net Assets, End of Year 2013	<u>\$ 538,087</u>	<u>\$ 203,316</u>	<u>\$ 741,403</u>

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013**

Cash Flows from Operating Activities	2013	2012
Increase / (decrease) in Net Assets	\$ (36,329)	\$ 120,501
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	118,497	95,560
(Increase) in Prepaid Insurance	4,613	(610)
Increase in Vacation Accrual	(2,011)	13,945
Increase (Decrease) in Accounts Payable	(373)	1,871
Net Cash Provided by Operating Activities	84,397	231,267
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(90,808)	(200,124)
Net Increase in Cash	(6,411)	31,143
Cash, Beginning of Year	423,225	392,082
Cash, End of Year	\$ 416,814	\$ 423,225

See accompanying notes and independent accountant's review report.

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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, 2011, 2012, and 2013, are subject to examination by federal and state taxing authorities, generally for three years after they are filed.

**Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2013.

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 \$745,845, the cost of support services was \$207,738, the cost of fundraising was \$44,644, and the total expenses were \$998,227.

Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a non-cancelable operating lease expiring in October 2017. Rent expense for the twelve months ended June 30, 2013 was \$56,033. Future minimum rental payments under this operating lease are as follows:

<u>Year ended June 30</u>	<u>Minimum Rental Payment</u>
2014	\$ 54,740.40
2015	54,740.40
2016	54,740.40
2017	<u>45,617.00</u>
	<u>\$ 209,838.20</u>

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 90% of the Foundation's revenues were provided by The Sacramento Metropolitan Cable Television Commission. The Foundation received a total of \$862,131 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, 2013, the Foundation's contributions to the plan were \$16,438.

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.

Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 – FIXED ASSETS

The following is a summary of the foundations fixed assets as of June 30, 2013.

<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>1,273,768</u>
Total Fixed Assets		1,330,409
Less Accumulated Depreciation		<u>974,947</u>
Net Fixed Assets		<u>\$ 355,462</u>

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 \$367,000 and spent \$163,684 on qualifying capital expenditures leaving a balance of \$203,316. The Foundation expects to spend the remainder of the funds in the next fiscal year on capital acquisitions. As such, \$203,316 remains temporarily restricted as of June 30, 2013.

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.

Sacramento Community Cable Foundation
DBA Access Sacramento
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 18, 2013, the date the financial statements were available to be issued.