

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA
ACCESS SACRAMENTO

Statement of Financial Condition
For the Fiscal Years Ended June 30, 1991 and 1990

Prepared By:

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October 4, 1991

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

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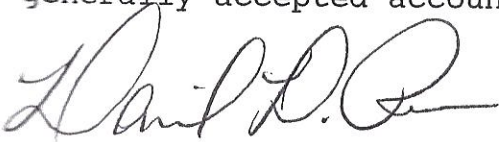
October 4, 1991

To the Board of Directors
Sacramento Community Cable Foundation
dba Access Sacramento
4623 T Street
Sacramento, CA 95819

We have audited the accompanying balance sheets of Sacramento Community Cable Foundation, dba Access Sacramento (a nonprofit organization) as of June 30, 1991 and 1990, and the related statements of support, revenues and expenses, changes in fund balance, and changes in cash flows for years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sacramento Community Cable Foundation dba Access Sacramento as of June 30, 1991 and 1990, and the results of its operations and the changes in its cash flows for the fiscal years then ended, in conformity with generally accepted accounting principles.



DANIEL D. ROSS
Certified Public Accountant



SACRAMENTO COMMUNITY CABLE FOUNDATION
 DBA ACCESS SACRAMENTO
 Balance Sheets
 June 30, 1991 and 1990

	<u>June 30, 1991</u>	<u>June 30, 1990</u>
CURRENT ASSETS		
CASH IN BANK (Statement 1)	\$ 18,255	\$ 13,877
CERTIFICATES OF DEPOSIT (Stmnt. 2)	135,899	158,989
ACCOUNTS RECEIVABLE	1,847	4,984
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	156,001	177,850
 PROPERTY AND EQUIPMENT		
PROPERTY AND EQUIPMENT (Statement 3)	157,114	220,268
	<hr/>	<hr/>
TOTAL ASSETS	\$ 313,115	\$ 398,118
	<hr/> <hr/>	<hr/> <hr/>
 LIABILITIES		
ACCOUNTS PAYABLE	\$ 11,788	\$ 13,624
	<hr/>	<hr/>
TOTAL LIABILITIES	11,788	13,624
	<hr/>	<hr/>
 FUND BALANCE		
FUND BALANCE	301,327	384,494
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TOTAL LIABILITIES & FUND BALANCE	\$ 313,115	\$ 398,118
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See accountant's report and notes to financial statements.
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SACRAMENTO COMMUNITY CABLE FOUNDATION
 DBA ACCESS SACRAMENTO
 Statement of Revenues and Expenses
 For the years ended June 30, 1991 and 1990

	<u>June 30, 1991</u>	<u>June 30, 1990</u>
REVENUE		
GRANT & OPERATING REVENUES (NOTE 1 & Statement 4)	\$ 511,305	\$ 499,364
INTEREST INCOME	13,920	16,868
MISCELLANEOUS INCOME	184	1,012
TOTAL REVENUE	<u>525,409</u>	<u>517,244</u>
EXPENSES		
SALARIES, BENEFITS, EMPLOYER TAXES	389,221	352,523
BUILDING RENT & UTILITIES (NOTE 2)	29,649	26,031
INSURANCE	13,083	15,218
OFFICE SUPPLIES	4,163	12,786
TELEPHONE	3,981	5,417
SECURITY	12,664	12,888
POSTAGE & DELIVERY	6,767	6,865
PRINTING & COPYING	15,214	12,398
COMMUNITY RELATIONS	3,334	6,251
ACCOUNTING & BOOKKEEPING	9,932	15,432
LEGAL		17,580
CONSULTANT		5,625
CONFERENCES & SEMINARS	3,906	3,786
TRAVEL	3,071	3,383
SUBSCRIPTIONS & DUES	823	523
EQUIPMENT MAINTENANCE	12,144	16,064
DEPRECIATION EXPENSE	78,676	79,436
CONTRACT PRODUCTION	3,835	10,588
PROMOTION	9,662	8,421
MOBILE UNIT EXPENSE	1,099	955
PRODUCTION GRANTS (NOTE 1)	2,552	3,282
AUDIENCE SURVEY	1,000	
SCHOLARSHIPS	1,000	
RECORDING TAPE STOCK	2,618	7,352
OTHER	182	202
Total Expenses	<u>608,576</u>	<u>623,006</u>
Net Excess of Expenses over Revenues	<u>\$ (83,167)</u>	<u>\$ (105,762)</u>

See accountant's report and notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
Changes in Fund Balance
For the years ended June 30, 1991 and 1990

June 30, 1991 June 30, 1990

STATEMENT OF CHANGES IN FUND BALANCE

FUND BALANCE BEGINNING OF YEAR	\$	384,494	\$	490,256
EXCESS OF REVENUE OVER (UNDER) EXP		(83,167)		(105,762)
FUND BALANCE END OF YEAR	\$	<u>301,327</u>	\$	<u>384,494</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
 DBA ACCESS SACRAMENTO
 Cash Flow Statements
 For the years ended June 30, 1991 and 1990

	<u>June 30, 1991</u>	<u>June 30, 1990</u>
Cash flows from operating activities:		
Cash received from Grants and operations	\$ 514,442	\$ 484,501
Interest received	13,920	16,868
Other operating receipts	184	10,891
Cash paid to suppliers and employees	(531,736)	(624,654)
Depreciation Expense	774	80,423
(Gain) loss on disposal of property	474	
Net cash provided (used) by operating activities	<u>(1,942)</u>	<u>(31,971)</u>
Cash flows from investing activities:		
Cash payments for the purchase of property	<u>(16,770)</u>	<u>(9,140)</u>
Net cash provided (used) by investing activities	<u>(16,770)</u>	<u>(9,140)</u>
Cash flows from financing activities:		
(Decrease) in Certificates of Deposit	<u>23,090</u>	<u>39,951</u>
Net cash provided (used) by financing activities	<u>23,090</u>	<u>39,951</u>
Net increase (decrease) in cash and equivalents	4,378	(1,160)
Cash and equivalents, beginning of year	13,877	15,037
Cash and cash equivalents, end of year	<u>\$ 18,255</u>	<u>\$ 13,877</u>

See accountant's report and notes to financial statements.
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SACRAMENTO COMMUNITY CABLE FOUNDATION
Cash Flow Statements
For the years ended June 30, 1991 and 1990

	<u>June 30, 1991</u>	<u>June 30, 1990</u>
Reconciliation of net income to net cash provided by operating activities:		
Net Income	\$ (83,167)	\$ (105,762)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	79,450	80,423
(Gain) loss on disposal of property	474	
(Increase) decrease in accounts receivable	3,137	(4,984)
(Increase) decrease in prepaid expenses		3,072
Increase (decrease) in accounts payable	(1,836)	(4,276)
Increase (decrease) in accrued liabilities		(444)
Total adjustments	<u>81,225</u>	<u>73,791</u>
Net cash provided (used) by operating activities	<u>\$ (1,942)</u>	<u>\$ (31,971)</u>

See accountant's report and notes to financial statements.
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**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
Notes to Financial Statements
(See Accountant's Report)**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

Sacramento Community Cable Foundation dba Access Sacramento (the Foundation) is a publicly supported organization, incorporated in 1984 whose objective is to support, manage, produce and distribute noncommercial, community-based media programs. The Foundation is organized in accordance with Section 501(c)(3) of the Internal Revenue Code and, as such, is exempt from income taxes. Accordingly, no provision for income taxes is included in the financial statements.

Program services provided by the Foundation are Outreach, Programming and Training. Outreach seeks to inform citizens of the Sacramento community about community use and public access programming. Programming activities serve to produce and cable cast noncommercial media programs. Training serves to provide the facilities, equipment, and instruction to teach the basis of radio and television production interested community volunteers.

Through December 7, 1987, the Foundation operated under the terms of a contract with Sacramento Cable which provided for quarterly payments relating to the preceding calendar quarter. The annual contract amount was computed on a formula based on the number of cable subscribers, or \$275,000, whichever was greater. In addition to the annual contract amount, Sacramento Cable provided support staff, facilities and other in-kind materials and services. The contract with Sacramento Cable was terminated effective February 1988.

Termination of contract with Sacramento Cable:

During 1987, a series of events occurred which resulted in the termination of the contract between Sacramento Cable and the Foundation. In July 1987, in response to a federal court ruling, the Sacramento Metropolitan Cable Television Commission (the Cable Commission) adopted a new license ordinance which would permit other cable companies to provide cable service other than Sacramento Cable. Sacramento Cable then filed a lawsuit against the Cable Commission, the City and County of Sacramento, the Foundation and other grantees, stating that the new license ordinance constituted a breach of contract. In November 1987, the Commission, as the third party beneficiary of the contract between Sacramento Cable and the Foundation, filed a counter lawsuit to enforce the provisions of the contract.

SACRAMENTO COMMUNITY CABLE FOUNDATION
Notes to Financial Statements
(See Accountant's Report)

The Cable Commission and Sacramento Cable entered into a Memorandum of Understanding on December 7, 1987 with the intent to terminate litigation and ensure a cash settlement to be made to the Cable Commission. The Memorandum of Understanding stipulated that the Cable Commission receive approximately \$15.3 million, certain future fixed and variable payments and access to specified cable channel capacity. In turn, the Cable Commission would no longer enforce the terms of the contracts between Sacramento Cable, the Foundation and other grantees. A settlement agreement encompassing the provisions of the Memorandum of Understanding was finalized in February 1988.

Cable Commission Grant Agreement:

As part of the settlement agreement, the Cable Commission agreed to provide community programming funds to the Foundation and other grantees. In March 1988, the Cable Commission entered into a five-year grant agreement with the Foundation. The grant agreement provides for the funding of the Foundation's operations at an amount to be determined annually by the Cable Commission. The Foundation received \$464,752 from the Cable Commission during the twelve months ended June 30, 1990, \$483,342 during the twelve months ended June 30, 1991, and is scheduled to receive \$507,509 during fiscal 1991-92. The Grant Agreement also gives the Foundation the use of specified cable channel capacity.

In response to a request from the Cable Commission, the Foundation changed its fiscal year end from December 31, to June 30. The change was made to coincide with the Cable Commission's grant budgeting cycle.

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.

Furniture and Equipment:

Furniture and equipment purchased by the Foundation is recorded at cost. The Foundation uses the straight-line method in computing depreciation over the estimated useful lives of the related assets of 5 years.

SACRAMENTO COMMUNITY CABLE FOUNDATION
Notes to Financial Statements
(See Accountant's Report)

Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from asset disposals are credited or charged to operations currently.

NOTE 2 - OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a noncancelable operating lease expiring in August 1992. Rent expense for the twelve month periods ended June 30, 1990 and 1991 totaled approximately \$16,801 and \$22,563, respectively. Future minimum rental payments under this operating lease are as follows:

Year ended June 30,	Minimum Rental Payment
1992	\$ 22,563
1993	3,761

	\$ 26,324
	=====

Supporting Schedules

SACRAMENTO COMMUNITY CABLE FOUNDATION
 DBA ACCESS SACRAMENTO
 Supporting schedule of Cash on Deposit
 For the years ended June 30, 1991 and 1990

June 30, 1991 June 30, 1990

Statement 1

CASH ON DEPOSIT

CASH -- SECURITY PACIFIC	\$	220	\$	899
CASH -- MERCANTILE BANK		163		115
CASH -- MERCANTILE MONEY MARKET		12,011		7,457
CASH -- BANK OF AMERICA		5,861		5,406
TOTAL CASH IN BANK	\$	18,255	\$	13,877

See accountant's report.
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SACRAMENTO COMMUNITY CABLE FOUNDATION
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Supporting schedule of Certificates of Deposit
For the years ended June 30, 1991 and 1990

June 30, 1991 June 30, 1990

Statement 2

CERTIFICATES OF DEPOSIT

CALIFORNIA FEDERAL SAVINGS	\$ 100,000	\$ 100,022
SAN FRANCISCO SAVINGS	11,004	35,668
SAN FRANCISCO SAVINGS	24,895	23,299
TOTAL CERTIFICATES OF DEPOSIT	<u>\$ 135,899</u>	<u>\$ 158,989</u>

See accountant's report.
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SACRAMENTO COMMUNITY CABLE FOUNDATION
 DBA ACCESS SACRAMENTO
 Supporting schedule of Office Furniture & Equipment
 For the years ended June 30, 1991 and 1990

	<u>June 30, 1991</u>	<u>June 30, 1990</u>
<u>Statement 3</u>		
PROPERTY AND EQUIPMENT		
OFFICE FURNITURE AND EQUIPEMENT	\$ 402,765	\$ 401,162
LESS: ACCUMULATED DEPRECIATION	(258,157)	(184,983)
	<u>144,608</u>	<u>216,179</u>
ASSETS OVER \$1,000	15,961	5,566
LESS: ACCUMULATED DEPRECIATION	(3,455)	(1,477)
	<u>12,506</u>	<u>4,089</u>
NET ASSETS	<u>\$ 157,114</u>	<u>\$ 220,268</u>

See accountant's report.
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SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
Supporting schedule of Grant & Operating Revenues
For the years ended June 30, 1991 and 1990

June 30, 1991 June 30, 1990

Statement 4

GRANT AND OPERATING REVENUES

CABLE COMMISSION	\$ 483,342	\$ 464,752
MEMBERSHIP FEES	175	195
COMMUNITY VIDEO AWARDS	8,495	6,608
USER FEES	967	301
PRODUCTION GRANTS	15,804	24,733
CONTRIBUTIONS	2,522	2,775
TOTAL GRANT & OPERATING REV	<u>\$ 511,305</u>	<u>\$ 499,364</u>

See accountant's report.
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