

SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1994 AND 1993

HOFFELT & Co.  
CERTIFIED PUBLIC ACCOUNTANT  
POINT WEST COMMERCENTRE  
1545 RIVER PARK DRIVE, SUITE 205  
SACRAMENTO, CALIFORNIA 95815-4601

TELEPHONE  
(916) 921-2600  
FAX  
(916) 921-1485

To The Board of Directors  
Sacramento Community Cable Foundation  
dba Access Sacramento

We have audited the accompanying balance sheets of Sacramento Community Cable Foundation, dba Access Sacramento (a nonprofit organization) as of June 30, 1994 and 1993, and the related statements of activity, changes in fund balance, and cash flows for the 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 audit.

We conducted our audit 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 from 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 audit provides 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 as of June 30, 1994 and 1993, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

*Hoffelt & Co.*

September 16, 1994

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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BALANCE SHEET

ASSETS

	JUNE 30	
	1994	1993
CURRENT ASSETS		
Cash in bank	\$ 84,990	\$ 61,419
Accounts receivable	1,500	6,600
Total current assets	86,490	68,019
PROPERTY AND EQUIPMENT		
Furniture and equipment	543,069	481,588
Less accumulated depreciation	445,138	417,406
Net property and equipment	97,931	64,182
Total assets	\$184,421	\$132,201

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES		
Accounts payable	\$ 13,712	\$ 7,413
Accrued vacation	7,890	7,789
Current portion of long-term debt	2,440	
Total current liabilities	24,042	15,202
LONG-TERM DEBT	10,617	
FUND BALANCE	149,762	116,999
Total liabilities and fund balance	\$184,421	\$132,201

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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STATEMENT OF ACTIVITY

	YEAR ENDED JUNE 30	
	1994	1993
<b>REVENUE</b>		
Grant and operating revenues	\$513,400	\$ 514,343
Interest income	<u>2,692</u>	<u>3,679</u>
Total revenue	<u>516,092</u>	<u>518,022</u>
<b>EXPENSES</b>		
Salaries, benefits, employer taxes	323,882	391,222
Building rent	28,829	26,531
Insurance	15,992	14,898
Office supplies	5,412	4,428
Telephone	4,609	4,109
Security	2,486	2,905
Postage and delivery	3,596	13,879
Printing and copying	4,471	11,339
Community relations	1,363	4,089
Accounting and bookkeeping	13,026	15,734
Legal	14,138	29,611
Consultants	562	553
Conferences and seminars	2,177	1,958
Travel	1,353	657
Equipment and maintenance	8,843	10,615
Depreciation expense	27,732	74,981
Fund raising	5,337	1,870
Mobile unit expenses	2,169	1,112
Production grants	2,722	3,687
Recordings tape stock	5,252	2,841
Other	1,362	780
Utilities	6,585	6,963
Interest	<u>1,431</u>	<u>          </u>
Total expenses	<u>483,329</u>	<u>624,762</u>
Net excess of revenues over (under) expenses	<u>\$ 32,763</u>	<u>\$(106,740)</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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STATEMENT OF CHANGES IN FUND BALANCE

	<u>YEAR ENDED JUNE 30</u>	
	1994	1993
FUND BALANCE, BEGINNING OF YEAR	\$116,999	\$ 223,739
Excess of revenues over (under) expenses	<u>32,763</u>	<u>(106,740)</u>
FUND BALANCE, END OF YEAR	<u>\$149,762</u>	<u>\$ 116,999</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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STATEMENT OF CASH FLOW

	YEAR ENDED JUNE 30	
	1994	1993
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over (under) expenses	\$ 32,763	\$(106,740)
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities		
Depreciation	27,732	74,981
Decrease (increase) in accounts receivable	5,100	(4,720)
Decrease in prepaid expenses		1,880
Increase (decrease) in accounts payable	6,299	(1,907)
Decrease in payroll taxes payable		(570)
Increase (decrease) in accrued vacation	101	(2,730)
Net cash used by operating activities	71,995	(39,806)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(46,797)	(33,408)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capitalized lease	(1,627)	_____
Net increase (decrease) in cash	23,571	(73,214)
CASH, BEGINNING OF YEAR	61,419	134,633
CASH, END OF YEAR	\$ 84,990	\$ 61,419

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for interest	\$ 1,431	\$ 0
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SUPPLEMENTAL SCHEDULE OF NONCASH INTEREST AND FINANCING TRANSACTIONS

Capital lease on new equipment	\$ 14,684	\$ 0
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See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1994 AND 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Sacramento Community Cable Foundation dba Access Sacramento (the Foundation) is a publicly supported organization, incorporated in 1984. The Foundation's objective is to support, manage, produce and distribute noncommercial, community-based media programs.

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.

Income Taxes

The organization is exempt from income taxes under the provisions of the Internal Revenue Code Section 501(c)(3), and franchise taxes under the provisions of the California Revenue and Taxation Code Section 23701d except as they may be levied under unrelated business income.

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 related assets of 5 years.

NOTE 2 - OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a noncancelable operating lease expiring in August 1997. Rent expense for the twelve months ended June 30, 1994 and 1993 were \$28,829 and \$26,531, respectively. Future minimum rental payments under this operating lease are as follows:

Year ended June 30,	Minimum Rental Payment
1995	\$26,775
1996	26,775
1997	<u>4,462</u>
Total	<u>\$58,012</u>

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1994 AND 1993

NOTE 3 - LONG-TERM DEBT

Long-term debt consists of the following:

Capitalized lease obligation payable in monthly installments of \$338, secured by equipment	\$13,057
Less current portion	<u>(2,440)</u>
	<u>\$10,617</u>

The following is a schedule of the aggregate maturities of long-term debt as of June 30, 1994:

Year ending June 30,	
1995	\$ 2,440
1996	2,790
1997	3,190
1998	3,647
1999	<u>990</u>
	<u>\$13,057</u>

NOTE 4 - SUBSEQUENT EVENTS

The Foundation entered into a real property lease during July, 1994. The lease is for a five year term, with total rental payments of \$1,626,000. There are certain conditions that the lessor and lessee are required to meet in order for the lease to become binding. As of September 16, 1994, some of the required conditions had not been met.