

**SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1996 AND 1995

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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, 1996 and 1995, 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, 1996 and 1995, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.



September 25, 1996

SACRAMENTO COMMUNITY CABLE FOUNDATION
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BALANCE SHEET

ASSETS

	JUNE 30	
	1996	1995
CURRENT ASSETS		
Cash - unencumbered	\$130,205	\$ 98,265
Accounts receivable	24,384	4,001
Total current assets	154,589	102,266
CASH - ENCUMBERED (NOTE 2)	203,004	101,502
PROPERTY AND EQUIPMENT		
Furniture and equipment	615,876	581,943
Less accumulated depreciation	517,149	478,900
Net property and equipment	98,727	103,043
Total assets	\$456,320	\$306,811

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES		
Accounts payable	\$ 5,654	\$ 4,794
Accrued vacation	7,874	8,877
Current portion of long-term debt	6,910	6,372
Total current liabilities	20,438	20,043
LONG-TERM DEBT	4,638	11,549
FUND BALANCES (NOTE 2)	431,244	275,219
Total liabilities and fund balances	\$456,320	\$306,811

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF ACTIVITY

	<u>YEAR ENDED JUNE 30</u>	
	1996	1995
REVENUE		
Grant and operating revenues	\$692,455	\$653,435
Interest income	<u>15,313</u>	<u>5,420</u>
Total revenue	<u>707,768</u>	<u>658,855</u>
EXPENSES		
Salaries, benefits, employer taxes	365,988	359,848
Building rent	26,775	30,571
Insurance	18,327	14,400
Office supplies	6,720	5,971
Telephone	5,650	5,590
Security	2,535	2,400
Postage and delivery	3,438	2,445
Printing and program guide	7,937	8,830
Community relations	2,248	2,957
Accounting and bookkeeping	12,711	15,965
Legal	500	4,000
Consultants	3,555	
Items for resale	7,688	
Travel	5,045	2,308
Equipment and maintenance	15,864	8,660
Depreciation expense	38,249	33,762
Fund raising	10,876	14,803
Mobile unit expenses	963	1,290
Grants and scholarships	1,287	4,897
Training	1,891	
Recordings tape stock	3,897	3,634
Other	1,937	1,896
Utilities	5,396	6,009
Interest	<u>2,266</u>	<u>3,162</u>
Total expenses	<u>551,743</u>	<u>533,398</u>
Net excess of revenues over expenses	<u>\$156,025</u>	<u>\$125,457</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF CHANGES IN FUND BALANCES

	<u>YEAR ENDED JUNE 30</u>	
	1996	1995
FUND BALANCES, BEGINNING OF YEAR	\$275,219	\$149,762
Excess of revenues over expenses	<u>156,025</u>	<u>125,457</u>
FUND BALANCES, END OF YEAR (NOTE 2)	<u>\$431,244</u>	<u>\$275,219</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF CASH FLOW

	<u>YEAR ENDED JUNE 30</u>	
	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$156,025	\$125,457
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities		
Depreciation	38,249	33,762
Decrease (increase) in accounts receivable	(20,383)	(2,501)
Increase (decrease) in accounts payable	860	(8,918)
Increase (decrease) in accrued vacation	<u>(1,003)</u>	<u>987</u>
Net cash provided by operating activities	<u>173,748</u>	<u>148,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(33,933)</u>	<u>(28,007)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capitalized lease	<u>(6,373)</u>	<u>(6,003)</u>
Net increase in cash	133,442	114,777
CASH, BEGINNING OF YEAR	<u>199,767</u>	<u>84,990</u>
CASH, END OF YEAR	<u>\$333,209</u>	<u>\$199,767</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for interest	<u>\$ 2,266</u>	<u>\$ 3,162</u>
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SUPPLEMENTAL SCHEDULE OF NONCASH INTEREST
AND FINANCING TRANSACTIONS

Capital lease on new equipment	<u>\$ 10,867</u>
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See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

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 in the Sacramento area.

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.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 - CASH - ENCUMBERED

During each of the past two fiscal years the Sacramento Metropolitan Cable Television Commission increased the grant to the Foundation by 20% or \$101,502 each year. The Foundation has encumbered these funds to the extent that matching funds are required before the funds will be expended. These funds from the Commission are held with unencumbered funds in the Foundation's cash accounts. Of the Foundation's fund balances of \$431,244 at June 30, 1996, \$203,004 is restricted by the matching requirement.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

NOTE 3 - 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, 1996 and 1995 were \$26,775 and \$30,751, respectively. Future minimum rental payments under this operating lease are as follows:

Year ended June 30,	Minimum Rental Payment
1997	<u>\$4,462</u>

NOTE 4 - LONG-TERM DEBT

	1996	1995
Long-term debt consists of the following:		
Capitalized lease obligations payable in monthly installments of \$711, for 1996 and 1995 including interest, secured by equipment	\$11,548	\$17,921
Less current portion	<u>6,910</u>	<u>6,372</u>
	<u>\$ 4,638</u>	<u>\$11,549</u>

The following is a schedule of the aggregate maturities of long-term debt as of June 30, 1996:

Year ending June 30,	
1997	\$ 6,910
1998	3,646
1999	<u>992</u>
	<u>\$11,548</u>

NOTE 5 - GRANTS AND OPERATING REVENUES

Approximately 86 percent of the Foundation's revenues were provided by one grantor, the Sacramento Metropolitan Cable Television Commission.