

**SACRAMENTO COMMUNITY CABLE  
FOUNDATION  
DBA ACCESS SACRAMENTO  
  
FINANCIAL STATEMENTS  
  
YEAR ENDED JUNE 30, 1999**

HOFFELT & Co., LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
POINT WEST COMMERCE CENTRE  
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 statement of financial position of Sacramento Community Cable Foundation, dba Access Sacramento (a nonprofit organization) as of June 30, 1999, and the related statements of activity, changes in net assets, and cash flows for the year 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, 1999, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

*Hoffelt & Co., LLP*

October 22, 1999

SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO

STATEMENT OF FINANCIAL POSITION  
JUNE 30, 1999

ASSETS

CURRENT ASSETS

Cash	\$ 39,889
Cash - reserve for matching funds (Note 6)	100,000
Accounts receivable	1,050
Unconditional promise to give (Note 2)	<u>20,000</u>

Total current assets 160,939

FURNITURE AND EQUIPMENT

Furniture and equipment	971,583
Less accumulated depreciation	<u>725,230</u>

Net property and equipment 246,353

LONG-TERM UNCONDITIONAL PROMISE TO GIVE 25,000

Total assets \$432,292

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 5,757
Accrued vacation	<u>10,544</u>

Total current liabilities 16,301

NET ASSETS - UNRESTRICTED 415,991

Total liabilities and net assets \$432,292

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO

STATEMENT OF ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 1999

UNRESTRICTED NET ASSETS	<u>Unrestricted</u>
SUPPORT AND REVENUE	
Revenue	
SMCTC Grant	\$669,914
Interest income	9,691
Memberships	11,374
Fundraising	2,201
Underwriting	19,475
User/rental fees	16,024
Training fees	7,542
Contracted Production	7,600
Donations	4,190
Sales	736
Grants	4,210
In-Kind Contributions	<u>24,700</u>
Total support and revenue	<u>777,657</u>
Operating Expenses	
Personnel	
Executive Director	48,644
Office Coordinator	24,800
Development Director	33,090
Development On-Call	21,852
Production Director - #2	27,779
Chief Technician	34,087
Programing Coordinator	25,525
Programing Assistant	16,800
On-Call Production/Office	70,157
CRC Staffing	3,188
Radio Production Coordinator	16,861
Radio On-Call	2,112
Playback Assistant Operator	9,825
Playback Operator	22,047
Production Director - #1	41,720
Multi-Media Projects Coordinator	30,203
Community Outreach Coordinator	15,908

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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STATEMENT OF ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 1999

Operating Expenses	
Personnel - Coninued	
Fundraising/Underwriting Coordinator	7,225
Promotions Coordinator	690
Underwriting Research Project	<u>9,822</u>
Total Personnel	<u>462,335</u>
 Burden	
Payroll Tax Expense	37,992
Medical Insurance	30,044
Retirement Plan	12,767
Workers' Compensation	<u>5,253</u>
Total Burden	<u>86,056</u>
 Total Personnel and Burden	<u>548,391</u>
 Occupancy	
Building - Rent Expense	27,657
Security	3,299
Utilities	7,056
Insurance	<u>18,066</u>
Total Occupancy	<u>56,078</u>
 General Administration	
Office Expense	13,590
Telephone	9,152
Postage	3,782
Printing	2,673
Subscriptions & Publications	3,910
Accounting & Audit	15,874
Legal	3,456
Community Relation	5,774
Mileage, Parking & Travel	8,304
Miscellaneous	2,143
Promo & Advertising	14,713
Training	<u>3,665</u>
 Total General Administration	<u>87,036</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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STATEMENT OF ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 1999

Production	
Tape Stock	5,687
Truck Expense	6,164
Maintenance, Parts, etc.	16,645
Program Guide/Viewfinder	<u>9,416</u>
Total Production	<u>37,912</u>
Grants To Community	
Production Grants	250
Scholarships	<u>1,150</u>
Total Grants to Community	<u>1,400</u>
In-Kind	
Equipment Usage	44,000
Facility Usage	<u>8,700</u>
	<u>52,700</u>
Equipment	
Depreciation	90,289
Software	8,991
Other	<u>1,495</u>
	<u>100,775</u>
Total expenses	<u>884,292</u>
Decrease in unrestricted net assets	<u>\$(106,635)</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 1999

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$522,626
DECREASE IN UNRESTRICTED NET ASSETS, CURRENT YEAR	<u>(106,635)</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$415,991</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in unrestricted net assets	\$(106,635)
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities	
Depreciation	90,289
Decrease (increase) in accounts receivable	12,972
Decrease (increase) in unconditional promise to give	28,000
Increase (decrease) in accounts payable	(9,958)
Increase (decrease) in accrued vacation	<u>(8,668)</u>
Net cash provided by operating activities	<u>6,000</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>(75,817)</u>
Net decrease in cash	<u>(69,817)</u>

CASH, BEGINNING OF YEAR 209,706

CASH, END OF YEAR \$ 139,889

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for interest \$ 0

See notes to financial statements.



SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

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.

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

The Foundation 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 assets.

Financial Statement Presentation

As of December 31, 1996, the Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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 or temporarily restricted net assets at June 30, 1999.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

The Foundation also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, effective January 1, 1996. In accordance with SFAS No. 116, contributions to be received in the future are to be recorded at their present value.

Contributed Equipment and Facilities

The Los Rios Community College District has agreed to provide the Foundation use of its facilities and equipment at Cosumnes River College (CRC) for 27 hours per week. The Foundation has estimated the value of using the facilities and equipment of CRC to be \$85,000. This amount has been previously recognized as in-kind contribution and an unconditional promise to give (Note 2). As part of the agreement, the Foundation is required to place \$87,500 of equipment at the CRC facilities. The equipment will also be used by the Foundation. In addition, the Foundation must provide up to \$40,000 of employee time for supervision of the Foundation's operations at CRC. Upon completion of the agreement, title to the equipment placed by the Foundation transfers to CRC.

The Sacramento County Office of Education (the County) has agreed to provide the Foundation with the usage of equipment under the Regional Occupation Program (ROP). The term is for 3 years beginning July 1, 1996, and the Foundation has estimated the total value of the equipment usage to be \$24,000. Under SFAS No. 116, the Foundation has previously recognized the total \$24,000 value as in-kind contribution (revenue) and an unconditional promise (receivable). The usage of the equipment is being recognized by reducing the unconditional promise and recording a corresponding expense for \$8,000 in each of the 3 years (Note 2). The agreement requires that the Foundation allow the use of its facilities and equipment for the ROP.

The City of Sacramento (the City) and MacNexus has agreed to provide the Foundation with the use of a Media Lab located at the Coloma Community Center. The agreement is month to month and the Foundation has estimated the value of the Media Lab usage to be \$24,700 per year. The Foundation has recorded an in-kind donation and related expense of \$24,700 for the year ended June 30, 1999 (Note 2).

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 2 -UNCONDITIONAL PROMISE TO GIVE AND IN-KIND CONTRIBUTIONS

Program	Total Amount of Promise (contributions)	Balance 6/30/98	Contributions Received for Year Ended 6/30/99	Amount Used for Year End 6/30/99	Balance 6/30/99
CRC (Note 1)	\$ 85,000	\$ 65,000		\$ (20,000)	\$45,000
ROP (Note 1)	24,000	8,000		(8,000)	0
Media Lab (Note 1)	_____	_____0	<u>\$24,700</u>	<u>(24,700)</u>	<u>0</u>
Totals	<u>\$109,000</u>	<u>\$ 73,000</u>	<u>\$24,700</u>	<u>\$ (52,700)</u>	<u>\$45,000</u>

CURRENT PORTION - DUE WITHIN ONE YEAR	\$ 20,000
LONG -TERM - DUE WITHIN ONE TO FIVE YEARS	<u>25,000</u>
	<u>\$ 45,000</u>

NOTE 3-OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a noncancelable operating lease expiring in August 2002. Rent expense for the twelve months ended June 30, 1999 was \$27,657. Future minimum rental payments under this operating lease are as follows:

Year ended June 30	Minimum Rental Payment
2000	\$ 26,774
2001	26,774
2002	26,774
2003	<u>4,462</u>
	<u>\$ 84,784</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 4 -CONCENTRATION OF RISK

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

NOTE 5 -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, 1999, the Foundation's contributions to the plan were \$12,767.

NOTE 6 -CASH - RESERVE FOR MATCHING FUNDS

The Foundation has encumbered these funds to the extent that matching funds are required before the funds will be expended. These funds are held with unencumbered funds in the Foundation's cash accounts.