

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2000

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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, 2000, 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, 2000, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

Hoffelt & Co., LLP

November 2, 2000

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2000

ASSETS

CURRENT ASSETS

Cash	\$ 35,211
Cash - reserve for matching funds (Note 6)	100,000
Unconditional promise to give (Note 2)	<u>20,000</u>

Total current assets 155,211

FURNITURE AND EQUIPMENT

Furniture and equipment	993,455
Less accumulated depreciation	<u>813,279</u>

Net property and equipment 180,176

LONG-TERM UNCONDITIONAL PROMISE TO GIVE 5,000

Total assets \$340,387

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 6,941
Accrued vacation	<u>12,126</u>

Total current liabilities 19,067

NET ASSETS - UNRESTRICTED 321,320

Total liabilities and net assets \$340,387

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2000

UNRESTRICTED NET ASSETS SUPPORT AND REVENUE	<u>Unrestricted</u>
Revenue	
SMCTC Grant	\$609,011
Interest income	5,592
Memberships	9,715
Fundraising	840
Underwriting	23,575
User/rental fees	19,587
Training fees	25,857
Contracted Production	16,500
Donations	8,837
Other	1,473
Grants	2,100
In-Kind Contributions	<u>25,620</u>
Total support and revenue	<u>748,707</u>
Operating Expenses	
Personnel	
Executive Director	53,196
Office Coordinator	22,046
Development Director	28,565
Development On-Call	29,454
Production Director - #2	31,344
Chief Technician	34,719
Programing Coordinator	24,245
Programing Assistant	18,000
On-Call Production/Office	67,871
Radio Production Coordinator	18,562
Radio On-Call	2,030
Playback Assistant Operator	7,095
Playback Operator	23,266
Production Director - #1	36,380
Multi-Media Projects Coordinator	34,362
Community Outreach Coordinator	8,024

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2000

Operating Expenses	
Personnel - Continued	
Fundraising/Underwriting Coordinator	6,800
Promotions Coordinator	<u>1,466</u>
Total Personnel	<u>447,425</u>
Burden	
Payroll Tax Expense	36,378
Medical Insurance	28,811
Retirement Plan	11,849
Workers' Compensation	<u>7,716</u>
Total Burden	<u>84,754</u>
Total Personnel and Burden	<u>532,179</u>
Occupancy	
Building - Rent Expense	29,210
Security	3,052
Utilities	7,841
Insurance	<u>15,333</u>
Total Occupancy	<u>55,436</u>
General Administration	
Office Expense	15,500
Telephone	9,898
Postage	3,728
Printing	3,671
Subscriptions & Publications	4,001
Accounting & Audit	16,601
Community Relation	7,568
Mileage, Parking & Travel	7,635
Miscellaneous	3,264
Promo & Advertising	8,940
Training	<u>3,321</u>
Total General Administration	<u>84,127</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2000

Production	
Tape Stock	5,470
Truck Expense	3,382
Maintenance, Parts, etc.	16,633
Program Guide/Viewfinder	<u>10,520</u>
Total Production	<u>36,005</u>
Grants To Community	
Production Grants	333
Scholarships	<u>1,350</u>
Total Grants to Community	<u>1,683</u>
In-Kind	
Equipment Usage	36,000
Facility Usage	<u>8,700</u>
	<u>44,700</u>
Equipment	
Depreciation	88,049
Other	<u>1,199</u>
	<u>89,248</u>
Total expenses	<u>843,378</u>
Decrease in unrestricted net assets	<u>\$ (94,671)</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, 2000

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$415,991
DECREASE IN UNRESTRICTED NET ASSETS, CURRENT YEAR	<u>(94,671)</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$321,320</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2000

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in unrestricted net assets	\$ (94,671)
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities	
Depreciation	88,049
Decrease (increase) in accounts receivable	1,050
Decrease (increase) in unconditional promise to give	20,000
Increase (decrease) in accounts payable	1,184
Increase (decrease) in accrued vacation	<u>1,582</u>
Net cash provided by operating activities	<u>17,194</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>(21,872)</u>
Net decrease in cash	<u>(4,678)</u>

CASH, BEGINNING OF YEAR 139,889

CASH, END OF YEAR \$135,211

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for interest \$ 0

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

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, 2000.

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.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

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 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, 2000 (Note 2).

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

Program	Total Amount of Promise (contributions)	Balance 6/30/99	Contributions Received for Year Ended 6/30/00	Amount Used for Year End 6/30/00	Balance 6/30/00
CRC (Note 1)	\$ 85,000	\$ 45,000		\$ (20,000)	\$25,000
Media Lab (Note 1)	_____	_____0	\$24,700	(24,700)	_____0
Totals	<u>\$ 85,000</u>	<u>\$ 45,000</u>	<u>\$24,700</u>	<u>\$ (44,700)</u>	<u>\$ 25,000</u>
CURRENT PORTION - DUE WITHIN ONE YEAR					\$ 20,000
LONG - TERM - DUE WITHIN ONE TO FIVE YEARS					<u>5,000</u>
					<u>\$ 25,000</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 3-OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a noncancelable operating lease expiring in August 2004. Rent expense for the twelve months ended June 30, 2000 was \$29,210. Future minimum rental payments under this operating lease are as follows:

Year ended June 30	Minimum Rental Payment
2001	\$ 26,774
2002	26,774
2003	26,774
2004	<u>4,462</u>
	<u>\$ 84,784</u>

NOTE 4 -CONCENTRATION OF RISK

Approximately 82% of the Foundation's support and 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, 2000, the Foundation's contributions to the plan were \$11,849.

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.