

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2001**

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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, 2001, 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, 2001, 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 13, 2001

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2001

ASSETS

CURRENT ASSETS

Cash	\$ 62,736
Cash - reserve for matching funds (Note 6)	100,000
Accounts Receivable	<u>1,243</u>
Total current assets	<u>163,979</u>

FURNITURE AND EQUIPMENT

Furniture and equipment	1,043,192
Less accumulated depreciation	<u>897,915</u>
Net property and equipment	<u>145,277</u>

Total assets

\$309,256

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 3,678
Accrued vacation	<u>14,378</u>
Total current liabilities	<u>18,056</u>

NET ASSETS - UNRESTRICTED

291,200

Total liabilities and net assets

\$309,256

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2001

UNRESTRICTED NET ASSETS SUPPORT AND REVENUE	<u>Unrestricted</u>
Revenue	
SMCTC Grant	\$609,011
Interest income	4,665
Memberships	9,056
Fundraising	14,147
Underwriting	34,663
User/rental fees	12,573
Training fees	6,938
Contracted Production	36,900
Donations	7,267
Youth Products	58,000
Sales	40,230
In-Kind Contributions	<u>24,700</u>
Total support and revenue	<u>858,150</u>
Operating Expenses	
Personnel	
Executive Director	51,033
Office Coordinator	18,053
Development Director	24,565
Production Director - #2	30,807
Chief Technician	35,007
Programing Coordinator	23,123
Programing Assistant	19,174
On-Call Production/Office	106,141
Radio Production Coordinator	22,851
Radio On-Call	240
Playback Assistant Operator	9,210
Playback Operator	29,280
Production Director - #1	38,322
Multi-Media Projects Coordinator	960
Community Outreach Coordinator	12,689

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2001

Operating Expenses	
Personnel - Continued	
Fundraising/Underwriting Coordinator	6,725
Promotions Coordinator	<u>3,015</u>
Total Personnel	<u>431,195</u>
Burden	
Payroll Tax Expense	34,454
Medical Insurance	26,941
Retirement Plan	11,176
Workers' Compensation	<u>6,715</u>
Total Burden	<u>79,286</u>
Total Personnel and Burden	<u>510,481</u>
Occupancy	
Building - Rent Expense	38,548
Security	3,458
Utilities	8,529
Insurance	<u>17,264</u>
Total Occupancy	<u>67,799</u>
General Administration	
Office Expense	6,885
Telephone	8,513
Postage	3,022
Printing	2,216
Subscriptions & Publications	3,384
Legal & Accounting	16,889
Community Relation	8,061
Mileage, Parking & Travel	10,148
Promo & Advertising	14,996
Training	<u>4,737</u>
Total General Administration	<u>78,851</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2001

Production	
Tape Stock	5,832
Truck Expense	3,849
Maintenance, Parts, etc.	32,050
Program Guide/Viewfinder	<u>9,778</u>
Total Production	<u>51,509</u>
Grants To Community	
Production Grants	500
Scholarships	<u>650</u>
Total Grants to Community	<u>1,150</u>
In-Kind	
Equipment Usage	39,500
Facility Usage	<u>10,200</u>
	<u>49,700</u>
Equipment	
Depreciation	84,636
Items for resale	32,360
Other	628
Software	<u>11,156</u>
	<u>128,780</u>
Total expenses	<u>888,270</u>
Decrease in unrestricted net assets	<u>\$ (30,120)</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, 2001

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$321,320
DECREASE IN UNRESTRICTED NET ASSETS, CURRENT YEAR	<u>(30,120)</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$291,200</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2001

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in unrestricted net assets	\$ (30,120)
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities	
Depreciation	84,636
Decrease (increase) in accounts receivable	(1,243)
Decrease (increase) in unconditional promise to give	25,000
Increase (decrease) in accounts payable	(3,262)
Increase (decrease) in accrued vacation	<u>2,251</u>
Net cash provided by operating activities	<u>77,262</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(49,737)</u>
Net decrease in cash	27,525
CASH, BEGINNING OF YEAR	<u>135,211</u>
CASH, END OF YEAR	<u>\$162,736</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for interest	<u>\$ 0</u>
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See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

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. In addition, the Foundation operates a computer media lab that provides digital production and editing assistance as well as computer media and web design classes to the public in the Sacramento area. The Media Lab's main source of support is from fundraising and grantsmanship.

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, 2001.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 Foundation and Los Rios Community College District have an agreement to provide the Foundation use of its facilities and equipment at Consumnes River College (CRC) for 27 hours per week. This agreement ended on June 30, 2001. The Foundation and the Los Rios Community College District have extended the agreement for one year. The Foundation has estimated the value of using the facilities and equipment of CRC to be \$25,700. As part of the agreement, the Foundation must provide for ten Access-based multimedia-training sessions for two CRC instructors/staff, one year free banner advertising for CRC programs and services on the Access web sites, along with providing CRC use of the Access mobile production van and engineering staff for scheduled on-campus training four days per semester and two remote productions per semester. The total estimated value for providing these services is \$25,700.

The City of Sacramento (the City) and MacNexus has agreed to provide the Foundation with the use of a Macintosh Lab located at the Coloma Community Center. The agreement is month to month and the Foundation has estimated the value of the Macintosh 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, 2001 (Note 2).

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

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

Program	Total Amount of Promise (contributions)	Balance 6/30/00	Contributions Received for Year Ended 6/30/01	Amount Used for Year End 6/30/01	Balance 6/30/01
CRC (Note 1)	\$ 85,000	\$ 25,000		\$ (25,000)	\$ 0
Mac Lab (Note 1)	_____	_____0	<u>\$24,700</u>	<u>(24,700)</u>	_____0
Totals	<u>\$ 85,000</u>	<u>\$ 25,000</u>	<u>\$24,700</u>	<u>\$ (49,700)</u>	<u>\$ 0</u>

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, 2001 was \$38,548. Future minimum rental payments under this operating lease are as follows:

Year ended June 30	Minimum Rental Payment
2002	\$ 26,774
2003	26,774
2004	<u>4,462</u>
	<u>\$ 58,010</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. The Foundation received a \$609,011 grant from SMCTC for the year ended June 30, 2001.

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, 2001, the Foundation's contributions to the plan were \$11,176.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

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.

NOTE 7 -MEDIA LAB

The Foundation in conjunction with the Sacramento County Office of Education (SCOE) have implemented a Computer Training Program, providing maximum available assistance for juvenile justice clients residing in Sacramento County. The program specifically targets at risk youths between the ages of 13-17, offering free classes on web page design, digital video editing, desktop publishing, and internet searching. The media lab received \$58,000 of \$87,000 pledged in funding for year ended June 30, 2001.