

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2002

HOFFELT & Co., LLP

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2002, 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 generally accepted in the United States of America. 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, 2002, 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 7, 2002

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2002
ASSETS

CURRENT ASSETS

Cash	\$134,361
Cash - reserve for matching funds (Note 6)	50,000
Accounts Receivable	465
Unconditional promise to give (Note 2)	<u>770</u>

Total current assets 185,596

FURNITURE AND EQUIPMENT

Furniture and equipment	1,102,663
Less: accumulated depreciation	<u>961,023</u>

Net property and equipment 141,640

Total assets \$327,236

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 11,039
Accrued vacation	<u>16,534</u>
Total current liabilities	<u>27,573</u>

NET ASSETS -

Unrestricted	298,893
Temporarily restricted	<u>770</u>

Total net assets 299,663

Total liabilities and net assets \$327,236

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2002

SUPPORT AND REVENUE	<u>Unrestricted</u>	<u>Temporary Restricted</u> (NOTE 2)	<u>Total</u>
Revenue			
SMCTC Grant	741,042		741,042
Interest income	3,511		3,511
Memberships	9,520		9,520
Fundraising	17,398		17,398
Underwriting	9,200		9,200
User/rental fees	15,303		15,303
Training fees	14,273		14,273
Contracted Production	19,160		19,160
Donations	5,160		5,160
Youth Products	29,000		29,000
Sales	7,149		7,149
In-Kind Contributions	<u> </u>	<u>36,710</u>	<u>36,710</u>
Total support and revenue	<u>870,716</u>	<u>36,710</u>	<u>907,426</u>
Operating Expenses			
Personnel			
Executive Director	54,341		54,341
Office Coordinator	18,588		18,588
Development Director	26,594		26,594
Production Director - #2	34,254		34,254
Chief Technician	26,226		26,226
Programming Coordinator	25,058		25,058
Programming Assistant	15,117		15,117
On-Call Production/Office	72,924		72,924
Radio Production Coordinator	25,039		25,039
Radio On-Call	1,440		1,440
Playback Assistant Operator	6,124		6,124
Playback Operator	23,427		23,427
Production Director - #1	37,374		37,374
Multi-Media Projects Coordinator	28,132		28,132
Community Outreach Coordinator	25,057		25,057
Development on-call	37,843		37,843
South county focus	11,453		11,453

SACRAMENTO COMMUNITY CABLE FOUNDATION
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 STATEMENT OF ACTIVITY
 FOR THE YEAR ENDED JUNE 30, 2002

	<u>Unrestricted</u>	<u>Temporary Restricted (NOTE 2)</u>	<u>Total</u>
Operating Expenses			
Personnel - Continued			
Fundraising/Underwriting Coordinator	2,300		2,300
Festival commission paid	125		125
Total Personal	<u>471,416</u>		<u>471,416</u>
Burden			
Payroll Tax Expense	37,816		37,816
Medical Insurance	30,872		30,872
Retirement Plan	10,026		10,026
Workers' Compensation	<u>3,991</u>		<u>3,991</u>
Total Burden	<u>82,705</u>		<u>82,705</u>
Total Personnel and Burden	<u>554,121</u>		<u>554,121</u>
Occupancy			
Building - Rent Expense	40,935		40,935
Security	3,933		3,933
Utilities	12,036		12,036
Insurance	<u>18,749</u>		<u>18,749</u>
Total Occupancy	<u>75,653</u>		<u>75,653</u>
General Administration			
Office Expense	16,812		16,812
Telephone	7,588		7,588
Postage	5,012		5,012
Printing	1,335		1,335
Subscriptions & Publications	2,955		2,955
Legal & Accounting	16,992		16,992
Community Relation	6,437		6,437
Mileage, Parking & Travel	7,306		7,306
Promo & Advertising	6,146		6,146
Training	5,677		5,677
Internship	1,999		1,999
Festival	<u>16,906</u>		<u>16,906</u>
Total General Administration	<u>95,165</u>		<u>95,165</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2002

	<u>Unrestricted</u>	Temporary <u>Restricted</u> (NOTE 2)	<u>Total</u>
Production			
Tap Stock	3,055		3,055
Truck Expense	3,931		3,931
Maintenance, Parts, etc.	41,157		41,157
Program Guide/Viewfinder	<u>12,003</u>		<u>12,003</u>
Total Production	<u>60,146</u>		<u>60,146</u>
Grants to Community			
Production Grants	<u>1,205</u>		<u>1,205</u>
Total Grants to Community	<u>1,205</u>		<u>1,205</u>
In-Kind			
Equipment Usage		30,480	30,480
Facility Usage		<u>5,460</u>	<u>5,460</u>
Total in kind		<u>35,940</u>	<u>35,940</u>
Equipment			
Depreciation	63,108		63,108
Items for resale	8,607		8,607
Other	72		72
Software	<u>4,946</u>		<u>4,946</u>
Total equipment	<u>76,733</u>		<u>76,733</u>
Total expenses	<u>863,023</u>	<u>35,940</u>	<u>898,963</u>
Increase in net assets	<u>\$ 7,693</u>	<u>\$ 770</u>	<u>\$ 8,463</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2002

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$291,200
INCREASE IN NET ASSETS, CURRENT YEAR	<u>8,463</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$299,663</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in unrestricted net assets	\$ 8,463
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities	
Depreciation	63,108
Decrease (increase) in accounts receivable	778
Decrease (increase) in unconditional promise to give	(770)
Increase (decrease) in accounts payable	7,361
Increase (decrease) in accrued vacation	<u>2,156</u>
Net cash provided by operating activities	<u>81,096</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>(59,471)</u>
Net decrease in cash	21,625

CASH, BEGINNING OF YEAR 162,736

CASH, END OF YEAR \$184,361

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for interest \$ 0

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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. According, 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, 2002.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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 8 hours per week. Agreement started on July 1, 2002 and expires August 31, 2003. 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 \$9,240.

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 \$26,700 per year. The Foundation has recorded an in-kind donation and related expense of \$26,700 for the year ended June 30, 2001 (Note 2).

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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

Program	Total Amount of Promise (contributions)	Balance 6/30/01	Contributions Received for Year Ended 6/30/02	Amount Used for Year End 6/30/02	Balance 6/30/02
CRC (Note 1) \$	0	\$ 0	\$10,010	\$ (9,240)	\$ 770
Mac Lab (Note 1)	_____	_____0	<u>\$26,700</u>	<u>(26,700)</u>	<u>_____0</u>
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$36,710</u>	<u>\$ (35,940)</u>	<u>\$ 770</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, 2002 was \$42,993. Future minimum rental payments under this operating lease are as follows:

Year ended June 30	Minimum Rental Payment
2003	\$ 29,771
2004	7,459
2005	<u>999</u>
	<u>\$ 38,229</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 \$741,042 grant from SMCTC for the year ended June 30, 2002.

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, 2002, the Foundation's contributions to the plan were \$10,026.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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.