

**SACRAMENTO COMMUNITY CABLE  
FOUNDATION  
DBA ACCESS SACRAMENTO  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2003**

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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, 2003 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, 2003, 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 7, 2003

SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO

STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2003

ASSETS

CURRENT ASSETS

Cash	\$ 118,049
Cash - reserve funds (Note 5)	50,000
Accounts receivable	<u>4,307</u>
Total current assets	<u>172,356</u>

FURNITURE AND EQUIPMENT

Furniture and equipment	1,115,470
Less accumulated depreciation	<u>1,002,662</u>

Net property and equipment 112,808

Total assets \$ 285,164

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,782
Accrued vacation	<u>16,048</u>

Total current liabilities 20,830

NET ASSETS

Unrestricted	<u>264,334</u>
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Total liabilities and net assets \$ 285,164

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO  
STATEMENT OF ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2003

	Unrestricted	Temporary Total Restricted (NOTE 2)	
<b>SUPPORT AND REVENUE</b>			
Revenue			
SMCTC Grant	\$639,462		\$ 639,462
Interest income	1,782		1,782
Memberships	8,774		8,774
Film Festival	17,249		17,349
Fundraising	1,410		1,410
Underwriting	11,625		11,625
User/rental fees	14,929		14,929
Training fees	14,327		14,327
Contracted Production	15,680		15,680
Donations	10,118		10,118
Radio Production	4,918		4,918
Sales	21,003		21,003
In-Kind Contributions	<u>          </u>	<u>\$26,700</u>	<u>26,700</u>
Total support and revenue	<u>756,359</u>	<u>\$26,700</u>	<u>783,059</u>
Operating Expenses			
Personnel			
Executive Director	60,682		60,682
Office Coordinator	23,759		23,759
Development Director	28,411		28,411
Production Director - #2	10,433		10,433
Chief Technician	19,600		19,600
Programming Coordinator	27,097		27,097
Programming Assistant	24,010		24,010
On-Call Production/Office	41,367		41,367
CRC Teen Camp	4,918		4,918
Radio Production Coordinator	26,257		26,257
Radio On-Call	1,440		1,440
Playback Assistant Operator	6,318		6,318
Playback Operator	27,280		27,280
Production Director - #1	46,526		46,526
Multi-Media Projects Coordinator	30,106		30,106
Community Outreach Coordinator	29,748		29,748
Development on-call	35,507		35,507

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
 DBA ACCESS SACRAMENTO  
 STATEMENT OF ACTIVITY  
 FOR THE YEAR ENDED JUNE 30, 2003

	Unrestricted	Temporary Total Restricted (NOTE 2)
<b>Operating Expenses</b>		
Personnel - Continued		
Fundraising/Underwriting		
Coordinator	<u>538</u>	<u>538</u>
Total Personnel	<u>443,997</u>	<u>443,997</u>
<b>Burden</b>		
Payroll Tax Expense	36,765	36,765
Medical Insurance	36,632	36,632
Retirement Plan	13,881	13,881
Workers' Compensation	<u>9,125</u>	<u>9,125</u>
Total Burden	<u>96,403</u>	<u>96,403</u>
Total Personnel and Burden	<u>540,400</u>	<u>540,400</u>
<b>Occupancy</b>		
Building - Rent Expense	45,625	45,625
Security	3,112	3,112
Utilities	12,091	12,091
Insurance	<u>20,372</u>	<u>20,372</u>
Total Occupancy	<u>81,200</u>	<u>81,200</u>
<b>General Administration</b>		
Office Expense	12,233	12,233
Telephone	6,454	6,454
Postage	4,154	4,154
Printing	765	765
Subscriptions & Publications	2,046	2,046
Legal & Accounting	21,833	21,833
Community Relation	4,949	4,949
Mileage, Parking & Travel	2,440	2,440
Promo & Advertising	9,058	9,058
Training	1,454	1,454
Festival	<u>12,996</u>	<u>12,996</u>
Total General Administration	<u>78,382</u>	<u>78,382</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
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 STATEMENT OF ACTIVITY  
 FOR THE YEAR ENDED JUNE 30, 2003

	Unrestricted	Temporary Total Restricted (NOTE 2)	
<b>Production</b>			
Tape Stock	2,539		2,539
Truck Expense	2,232		2,232
Maintenance, Parts, etc.	16,772		16,772
Program Guide/Viewfinder	<u>12,692</u>		<u>12,692</u>
<b>Total Production</b>	<u>34,235</u>		<u>34,235</u>
<b>Grants and Scholarships</b>			
Scholarships	1,901		1,901
Production Grants	<u>500</u>		<u>500</u>
<b>Total Grants to Community</b>	<u>2,401</u>		<u>2,401</u>
<b>In-Kind</b>			
Equipment Usage		<u>27,470</u>	<u>27,470</u>
<b>Equipment</b>			
Depreciation	41,639		41,639
Items for sale	9,631		9,631
Other	<u>3,030</u>		<u>3,030</u>
<b>Total Equipment</b>	<u>54,300</u>		<u>54,300</u>
<b>Total expenses</b>	<u>790,918</u>	<u>27,470</u>	<u>818,388</u>
<b>Increase (decrease) in net assets</b>	<u>\$ (34,559)</u>	<u>\$ (770)</u>	<u>\$ (35,329)</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, 2003

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$299,663
DECREASE IN NET ASSETS, CURRENT YEAR	<u>(35,329)</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$264,334</u>

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENTO

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in unrestricted net assets	\$ (35,329)
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities	
Depreciation	41,639
Decrease (increase) in accounts receivable	(3,842)
Decrease (increase) in unconditional promise to give	770
Increase (decrease) in accounts payable	(6,257)
Increase (decrease) in accrued vacation	<u>(486)</u>
Net cash provided by operating activities	<u>(3,505)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(12,807)</u>
Net decrease in cash	<u>(16,312)</u>
CASH, BEGINNING OF YEAR	<u>184,361</u>
CASH, END OF YEAR	<u>\$ 168,049</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  
DBA ACCESS SACRAMENTO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

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, grants and tuitions.

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, 2003.

SACRAMENTO COMMUNITY CABLE FOUNDATION  
 DBA ACCESS SACRAMENTO  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2003

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.

The City of Sacramento (the City) and MacNexus have agreed to provide resources to the Foundation for use with the 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 \$26,700 per year. The Foundation has recorded an in-kind donation and related expense of \$26,700 for the year ended June 30, 2003

NOTE 2 - OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a non-cancelable operating lease expiring in August 2004. Rent expense for the twelve months ended June 30, 2003 was \$45,625. Future minimum rental payments under this operating lease are as follows:

Year ended June 30	Minimum Rental Payment
2004	\$ 7,459
2005	<u>999</u>
	<u>\$ 8,458</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION  
DBA ACCESS SACRAMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 3 - CONCENTRATION OF RISK

Approximately 84% of the Foundation's revenues were provided by one grantor, the Sacramento Metropolitan Cable Television Commission. The Foundation received \$639,462 grant from SMCTC for the year ended June 30, 2003.

NOTE 4 - 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, 2003, the Foundation's contributions to the plan were \$13,881.

NOTE 5 - CASH - RESERVE FUNDS

The Foundation has restricted these funds for emergency purposes as defined by the Board of Directors. These funds are held with unencumbered funds in the Foundation's cash accounts.