

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

HOFFELT & Co., LLP

CERTIFIED PUBLIC ACCOUNTANTS

POINT WEST COMMERCENTRE
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 reviewed the accompanying statement of financial position of Sacramento Community Cable Foundation, dba Access Sacramento (a nonprofit organization) as of June 30, 2004 and the related statements of activity, changes in net assets, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Sacramento Community Cable Foundation, dba Access Sacramento (a nonprofit organization).

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Our review was made for the purposes of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying schedules of operating expenses are only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made to it.



October 21, 2004

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2004

	Unrestricted	Temporary Restricted (NOTE 2)	Total
SUPPORT AND REVENUE			
Revenue			
SMCTC Grant	\$420,000		\$ 420,000 ✓
Interest income	749		749 ✓
Memberships	17,514		17,514 ✓
Film Festival	22,418		22,418 ✓
Fundraising	4,320		4,320 ✓
Underwriting	400		400 ✓
User/rental fees	5,082		5,082 ✓
Training fees	10,326		10,326 ✓
Contracted Production	15,277		15,277 ✓
Donations	10,744		10,744 ✓
Development Grant	500		500 ✓
Sales	17,365		17,365 ✓
In-Kind Contributions		<u>\$26,700</u>	✓
Total support and revenue	<u>524,695</u>	<u>\$26,700</u>	<u>551,395</u>
Operating Expenses			
Personnel			
Executive Director	55,827		55,827
Office Coordinator	21,016		21,016
Development Director	7,759		7,759
Development on-call	22,704		22,704
Chief Technician	17,920		17,920
Programming Coordinator	4,129		4,129
Programming Assistant	26,540		26,540
On-Call Production/Office	31,526		31,526
Radio Production Coordinator	12,510		12,510
Playback Operator	27,469		27,469
Production Director - #1	43,647		43,647
Multi-Media Projects Coordinator	29,559		29,559
Community Outreach Coordinator	<u>23,180</u>		<u>23,180</u>
Total Personnel	<u>323,786</u>		<u>323,786</u>

See accountants' review report and
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2004

	Unrestricted	Temporary Restricted (NOTE 2)	Total
Burden			
Payroll Tax Expense	28,778		28,778
Medical Insurance	31,228		31,228
Retirement Plan	5,083		5,083
Workers' Compensation	<u>9,907</u>		<u>9,907</u>
Total Burden	<u>74,996</u>		<u>74,996</u>
Total Personnel and Burden	<u>398,782</u>		<u>398,782</u>
Occupancy			
Building - Rent Expense	38,555		38,555
Security	2,688		2,688
Utilities	11,063		11,063
Insurance	<u>19,566</u>		<u>19,566</u>
Total Occupancy	<u>71,872</u>		<u>71,872</u>
General Administration			
Office Expense	7,150		7,150
Telephone	7,082		7,082
Postage	2,953		2,953
Printing	2,921		2,921
Subscriptions & Publications	1,599		1,599
Legal & Accounting	15,235		15,235
Community Relation	4,910		4,910
Mileage, Parking & Travel	2,083		2,083
Promo & Advertising	2,167		2,167
Training	2,498		2,498
Festival	<u>12,343</u>		<u>12,343</u>
Total General Administration	<u>60,941</u>		<u>60,941</u>

See accountants' review report and
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2004

	Unrestricted	Temporary Restricted (NOTE 2)	Total
Production			
Tap Stock	2,578		2,578
Truck Expense	2,562		2,562
Maintenance, Parts, etc.	20,178		20,178
Program Guide/Viewfinder	<u>3,119</u>		<u>3,119</u>
Total Production	<u>28,437</u>		<u>28,437</u>
In-Kind			
Equipment Usage		<u>26,700</u>	<u>26,700</u>
Equipment			
Depreciation	23,068		23,068
Items for sale			
Other	<u>3,947</u>		<u>3,947</u>
Total Equipment	<u>27,015</u>		<u>27,015</u>
Total expenses	<u>587,047</u>	<u>26,700</u>	<u>587,047</u>
Increase (decrease) in net assets	<u>\$ (62,352)</u>	<u>\$ 0</u>	<u>\$ (62,352)</u>

See accountants' review report and
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$264,334
DECREASE IN NET ASSETS, CURRENT YEAR	<u>(62,352)</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$201,982</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in unrestricted net assets	\$ (62,352)
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities	
Depreciation	23,068
Decrease (increase) in accounts receivable	3,291
Decrease (increase) in notes payable – line of credit	11,670
Increase (decrease) in accounts payable	1,958
Increase (decrease) in accrued vacation	<u>(5,415)</u>
Net cash provided by operating activities	<u>(27,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(12,008)</u>
Net decrease in cash	<u>(39,788)</u>
CASH, BEGINNING OF YEAR	<u>168,049</u>
CASH, END OF YEAR	<u>\$ 128,261</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for interest	<u>\$ 488</u>
--	---------------

See notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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 grant membership

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, 2004.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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 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 \$26,700 per year. The Foundation has recorded an in-kind donation and related expense of \$26,700 for the year ended June 30, 2004.

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, 2004 was \$38,555. Future minimum rental payments under this operating lease are as follows:

Year ended June 30	Minimum Rental Payment
2005	<u>\$999</u>
	<u>\$999</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 3 - CONCENTRATION OF RISK

Approximately 80% of the Foundation's revenues were provided by one grantor, the Sacramento Metropolitan Cable Television Commission. The Foundation received \$420,000 grant from SMCTC for the year ended June 30, 2004.

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, 2004, the Foundation's contributions to the plan were \$5,083.

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.