

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2005

THOMAS A. BALARSKY
CERTIFIED PUBLIC ACCOUNTANT
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

I have reviewed the accompanying statement of financial position of Sacramento Community Cable Foundation, dba Access Sacramento (a nonprofit organization) as of June 30, 2005 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, I do not express such an opinion.

Based on my review, I am 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.

My 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 I am not aware of any material modifications that should be made to it.

THOMAS A. BALARSKY, CPA

October 27, 2005

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2005

ASSETS

CURRENT ASSETS

Cash	\$ 101,486
Cash - reserve funds (Note 5)	<u>50,000</u>
Total current assets	<u>151,486</u>

FURNITURE AND EQUIPMENT

Furniture and equipment	1,132,424
Less accumulated depreciation	<u>1,051,798</u>
Net property and equipment	<u>80,626</u>

Total assets	<u>\$ 232,112</u>
--------------	-------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Note payable – line of credit	\$ 4,657
Accounts payable	5,352
Accrued vacation	<u>10,001</u>
Total current liabilities	<u>20,010</u>

NET ASSETS

Unrestricted	<u>212,102</u>
--------------	----------------

Total liabilities and net assets	<u>\$ 232,112</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, 2005

	Unrestricted	Temporary Restricted (NOTE 2)	Total
SUPPORT AND REVENUE			
Revenue			
SMCTC Grant	\$420,000		\$ 420,000
Interest income	1,307		1,307
Memberships	30,640		30,640
Film Festival	7,856		7,856
Fundraising	2,995		2,995
Underwriting	3,350		3,350
User/rental fees	13,650		13,650
Training fees	11,687		11,687
Contracted Production	11,738		11,738
Donations	8,275		8,275
Development Grant	3,750		3,750
Sales	10,380		10,380
In-Kind Contributions		<u>\$26,700</u>	<u>26,700</u>
Total support and revenue	<u>\$25,628</u>	<u>\$26,700</u>	<u>\$52,328</u>
Operating Expenses			
Personnel			
Executive Director	53,357		53,357
Office Coordinator	15,076		15,076
Production Director	30,112		30,112
Chief Technician Coordinator	18,393		18,393
Fundraising/Underwriter Coordinator	500		500
On-Call Production/Office	29,146		29,146
Radio Production Coordinator	9,169		9,169
Playback Operator and Assistant	36,825		36,825
Production Director - #1	44,284		44,284
Multi-Media Projects Coordinator	27,715		27,715
Community Outreach Coordinator	<u>18,021</u>		<u>18,021</u>
Total Personnel	<u>282,598</u>		<u>282,598</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, 2005

	Unrestricted	Temporary Restricted (NOTE 2)	Total
Burden			
Payroll Tax Expense	27,586		27,586
Medical Insurance	20,936		20,936
Retirement Plan	3,502		3,502
Workers' Compensation	<u>6,629</u>		<u>6,629</u>
Total Burden	<u>58,653</u>		<u>58,653</u>
Total Personnel and Burden	<u>341,251</u>		<u>341,251</u>
Occupancy			
Building - Rent Expense	38,642		38,642
Security	3,505		3,505
Utilities	10,220		10,220
Insurance	<u>17,337</u>		<u>17,337</u>
Total Occupancy	<u>69,704</u>		<u>69,704</u>
General Administration			
Office Expense	3,958		3,958
Telephone	4,258		4,258
Postage	2,238		2,238
Printing	2,472		2,472
Subscriptions & Publications	1,857		1,857
Legal & Accounting	11,218		11,218
Community Relation	5,494		5,494
Mileage, Parking & Travel	3,846		3,846
Promo & Advertising	2,387		2,387
Training	2,091		2,091
Festival	<u>3,069</u>		<u>3,069</u>
Total General Administration	<u>42,888</u>		<u>42,888</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, 2005

	Unrestricted	Temporary Restricted (NOTE 2)	Total
Production			
Tape Stock	1,947		1,947
Truck Expense	3,212		3,212
Maintenance, Parts, etc.	14,099		14,099
Program Guide/Viewfinder	<u>2,920</u>		<u>2,920</u>
Total Production	<u>22,178</u>		<u>22,178</u>
In-Kind			
Equipment Usage	<u> </u>	<u>26,700</u>	<u>26,700</u>
Equipment			
Depreciation	26,068		26,068
Items for sale	12,703		12,703
Other	<u>716</u>		<u>716</u>
Total Equipment	<u>39,487</u>		<u>39,487</u>
Total expenses	<u>515,508</u>	<u>26,700</u>	<u>542,208</u>
Increase (decrease) in net assets	<u>\$ 10,120</u>	<u>\$ 0</u>	<u>\$ 10,120</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, 2005

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$201,982
DECREASE IN NET ASSETS, CURRENT YEAR	<u>10,120</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$212,102</u>

See accountants' review report and
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in unrestricted net assets	\$ 10,120
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities	
Depreciation	26,068
Decrease (increase) in accounts receivable	1,016
Decrease (increase) in notes payable – line of credit	(7,013)
Increase (decrease) in accounts payable	(1,388)
Increase (decrease) in accrued vacation	<u>(632)</u>
Net cash provided by operating activities	<u>28,171</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>(4,946)</u>
Net increase in cash	<u>23,225</u>

CASH, BEGINNING OF YEAR 128,261

CASH, END OF YEAR \$ 151,486

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for interest \$ 506

See accountants' review report and
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005.

NOTE 2 - OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a non-cancelable operating lease expiring in October 2007. Rent expense for the twelve months ended June 30, 2005 was \$38,642. Future minimum rental payments under this operating lease are as follows:

Year ended June 30	Minimum Rental Payment
2006	\$38,544
2007	38,544
2008	12,848
	<u>\$89,936</u>

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 3 - CONCENTRATION OF RISK

Approximately 76% 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, 2005.

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, 2005, the Foundation's contributions to the plan were \$3,502.

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.