

**SACRAMENTO COMMUNITY CABLE
FOUNDATION
DBA ACCESS SACRAMENTO

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008**

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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 California Nonprofit Organization) as of June 30, 2008 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.

Thomas A. Balarsky, CPA

Sacramento, CA
November 6, 2008

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
A California Nonprofit Organization

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

ASSETS

CURRENT ASSETS

| | |
|-------------------------------|----------------|
| Cash | \$ 233,139 |
| Cash - reserve funds (Note 5) | <u>50,000</u> |
| Total current assets | <u>283,139</u> |

FURNITURE AND EQUIPMENT (Notes 1 and 6)

| | |
|-------------------------------|----------------|
| Furniture and equipment | 744,487 |
| Less accumulated depreciation | <u>594,629</u> |
| Net property and equipment | <u>149,858</u> |

| | |
|--------------|-------------------|
| Total assets | <u>\$ 432,997</u> |
|--------------|-------------------|

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---------------------------|---------------|
| Accounts payable | \$ 9,979 |
| Accrued vacation (Note 7) | <u>10,782</u> |
| Total current liabilities | <u>20,761</u> |

NET ASSETS

| | |
|--------------|----------------|
| Unrestricted | <u>412,236</u> |
|--------------|----------------|

| | |
|----------------------------------|-------------------|
| Total liabilities and net assets | <u>\$ 432,997</u> |
|----------------------------------|-------------------|

See accountants' review report and
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
 DBA ACCESS SACRAMENTO
 A California Nonprofit Organization

STATEMENT OF ACTIVITY
 FOR THE YEAR ENDED JUNE 30, 2008

| | Total Unrestricted |
|-------------------------------------|-----------------------|
| SUPPORT AND REVENUE | |
| Revenue | |
| SMCTC Grant (Note 3) | \$ 456,027 |
| Grants – Equipment (Note 6) | 60,000 |
| Grants – Other | 2,300 |
| Interest income | 9,822 |
| Memberships | 25,729 |
| Film Festival | 10,687 |
| Game of the Week | 50,000 |
| Underwriting | 4,900 |
| User/rental fees | 7,224 |
| Training fees | 7,952 |
| Contracted Production | 20,822 |
| Donations | 3,762 |
| Hometown TV Grant | 43,500 |
| Fundraising | 1,020 |
| In-Kind Contributions | <u>26,700</u> |
| Total support and revenue | <u>730,445</u> |
| | |
| Operating Expenses | |
| Personnel | |
| Executive Director | 66,062 |
| Office Coordinator | 22,941 |
| Production Director | 34,395 |
| Chief Technician | 16,029 |
| Fundraising/Underwriter Coordinator | 521 |
| Hometown TV Salary | 56,947 |
| Digital Media Coordinator | 15,593 |
| On-Call Production/Office | 34,959 |
| Radio Production Coordinator | 17,125 |
| Playback Operator and Assistant | 26,051 |
| Production Director - #1 | 47,094 |
| Multi-Media Projects Coordinator | <u>30,177</u> |
| Total Personnel | <u>367,894</u> |

See accountants' review report and
 notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF ACTIVITY
 FOR THE YEAR ENDED JUNE 30, 2008

| | Total Unrestricted |
|-------------------------------|-----------------------|
| Burden | |
| Payroll Tax Expense | 27,090 |
| Medical Insurance | 16,702 |
| Retirement Plan | 9,843 |
| Workers' Compensation | <u>5,305</u> |
| Total Burden | <u>58,940</u> |
| Total Personnel and Burden | <u>426,834</u> |
| Occupancy | |
| Building - Rent Expense | 39,695 |
| Security | 2,104 |
| Utilities | 11,821 |
| Insurance | <u>10,407</u> |
| Total Occupancy | <u>64,027</u> |
| General Administration | |
| Office Expense | 8,989 |
| Telephone | 3,929 |
| Postage | 3,394 |
| Printing | 936 |
| Subscriptions & Publications | 1,032 |
| Legal & Accounting | 13,105 |
| Community Relation | 8,555 |
| Mileage, Parking & Travel | 4,485 |
| Promo & Advertising | 5,378 |
| Scholarships | 900 |
| Training | 2,165 |
| Festival | <u>2,720</u> |
| Total General Administration | <u>55,588</u> |

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SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2008

| | Total Unrestricted |
|-----------------------------------|-----------------------|
| Production | |
| Tape Stock | 575 |
| Truck Expense | 8,070 |
| Maintenance, Parts, etc. | 6,646 |
| Program Guide/Viewfinder | <u>1,334</u> |
| Total Production | <u>16,625</u> |
| In-Kind | |
| Equipment Usage | <u>26,700</u> |
| Equipment | |
| Depreciation | 36,641 |
| Loss on asset disposal | 5,129 |
| Other | <u>1,788</u> |
| Total Equipment | <u>43,558</u> |
| Total expenses | <u>633,332</u> |
| Increase (decrease) in net assets | <u>\$ 97,113</u> |

See accountants' review report and
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

| | |
|--|------------------|
| UNRESTRICTED NET ASSETS, BEGINNING OF YEAR | \$315,123 |
| DECREASE IN NET ASSETS, CURRENT YEAR | <u>97,113</u> |
| TOTAL NET ASSETS, END OF YEAR | <u>\$412,236</u> |

See accountants' review report and
notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2008

| | |
|---|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Increase (decrease) in unrestricted net assets | \$ 97,113 |
| Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities | |
| Depreciation | 36,641 |
| Loss on disposal of assets | 5,129 |
| Increase (decrease) in accounts payable | <u>2,184</u> |
| Net cash provided by operating activities | <u>141,067</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of fixed assets | <u>(84,302)</u> |
| Net increase in cash | <u>56,765</u> |
| CASH, BEGINNING OF YEAR | <u>226,374</u> |
| CASH, END OF YEAR | <u>\$283,139</u> |

See accountants' review report and notes to financial statements.

SACRAMENTO COMMUNITY CABLE FOUNDATION
DBA ACCESS SACRAMENTO
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Sacramento Community Cable Foundation dba Access Sacramento (the Foundation) is a publicly supported organization, incorporated in 1985. 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 membership fees.

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, 2008.

SACRAMENTO COMMUNITY CABLE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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, 2008.

NOTE 2 - OPERATING LEASE COMMITMENT

The Foundation leases office and production space under a non-cancelable operating lease expiring in October 2012. Rent expense for the twelve months ended June 30, 2008 was \$39,695. Future minimum rental payments under this operating lease are as follows:

| Year ended June 30 | Minimum Rental Payment |
|--------------------|------------------------|
| 2009 | \$41,936 |
| 2010 | 43,964 |
| 2011 | 44,640 |
| 2012 | 44,640 |
| 2013 | 14,808 |
| | <u>\$ 189,988</u> |

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3 - CONCENTRATION OF RISK

The Foundations maintains its cash in bank accounts that, at times, may not be covered by federal insurance. As of June 30, 2008 the Foundations cash balances exceed the federal insurance amount by approximately \$140,000. The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risks related to cash.

Approximately 62% of the Foundation's revenues were provided by one grantor, the Sacramento Metropolitan Cable Television Commission. The Foundation received a \$456,027 grant from SMCTC for the year ended June 30, 2008.

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, 2008, the Foundation's contributions to the plan were \$9,843.

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.

NOTE 6 - FIXED ASSETS

The following is a summary of the foundations fixed assets as of June 30, 2008.

| Description | Useful Life | Amount |
|---------------------------------|---------------|------------------|
| Production Vans | 5 years | \$ 56,641 |
| Production and Office Equipment | 5 to 10 years | <u>687,846</u> |
| Total Fixed Assets | | 744,487 |
| Less Accumulated Depreciation | | <u>594,629</u> |
| Net Fixed Assets | | <u>\$149,858</u> |

During the year the Foundation received an Equipment Grant of \$60,000 that was used to purchase two production vans.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 7 – COMPENSATED ABSENCES

The Foundation has paid vacation and sick leave policy based on length of employment and other factors. The expense and related liability is recognized as the benefit accrues to the employee under the paid vacation policy. The paid sick leave policy is nonvesting and no expense or liability is recorded.