

SACRAMENTO COMMUNITY CABLE  
FOUNDATION  
DBA ACCESS SACRAMENTO  
(A California Nonprofit Corporation)

FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012

**Sacramento Community Cable Foundation  
DBA Access Sacramento  
(a California Nonprofit Corporation)**

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**TABLE OF CONTENTS**

Independent Accountant's Review Report.....1

Financial Statements:

Statement of Financial Position .....2

Statement of Activity ..... 3-4

Statement of Changes in Net Assets .....5

Statement of Cash Flows .....6

Notes to the Financial Statements..... 7-10

**Sacramento Community Cable Foundation  
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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To The Board of Directors  
Sacramento Community Cable Foundation  
DBA Access Sacramento  
(A California Nonprofit Corporation)

We have reviewed the accompanying statement of financial position of Sacramento Community Cable Foundation, DBA Access Sacramento (A California Nonprofit Corporation) as of June 30, 2012 and the related statements of activity, changes in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.

*Balarsky & Associates, CPA'S*  
Sacramento, CA  
September 17, 2012

**Sacramento Community Cable Foundation  
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**STATEMENT OF FINANCIAL POSITION  
June 30, 2012**

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
Current Assets		
Cash	\$ 284,339	\$ 182,897
Cash - Reserve Funds (Note 5)	50,000	50,000
Cash - Temporarily Restricted (Note 7)	88,886	159,185
Prepaid Insurance	4,613	4,003
Total Current Assets	427,838	396,085
Furniture and Equipment (Notes 1 and 6)		
Furniture and Equipment	1,239,601	1,039,477
Less Accumulated Depreciation	856,450	760,890
Net Property and Equipment	383,151	278,587
<b>TOTAL ASSETS</b>	<b>\$ 810,989</b>	<b>\$ 674,672</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable	7,986	6,115
Accrued Vacation (Note 8)	\$ 25,271	\$ 11,326
Total Current Liabilities	33,257	17,441
Net Assets		
Unrestricted	688,846	498,046
Temporarily Restricted	88,886	159,185
Total Net Assets	777,732	657,231
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 810,989</b>	<b>\$ 674,672</b>

The accompanying notes are an integral part of these financial statements.

**Sacramento Community Cable Foundation  
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**STATEMENT OF ACTIVITY  
For the Year Ended June 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
SMCTC Grant (Note 3)	\$ 489,851	\$ -	\$ 489,851
PEG Capital & Facilities Grant (Note 7)	279,125	88,886	368,011
Release of Restriction - Prior Year Correction (Note 7)	122,035	(122,035)	-
Release of Restriction - Current Year (Note 7)	37,150	(37,150)	-
Interest Income	935	-	935
Memberships	22,664	-	22,664
Film Festival	7,355	-	7,355
Underwriting	4,000	-	4,000
User/Rental Fees	14,567	-	14,567
Training Fees	11,649	-	11,649
Contracted Production	10,263	-	10,263
Donations	4,611	-	4,611
In-Kind Donations	15,000	-	15,000
Fundraising	573	-	573
	<u>1,019,778</u>	<u>(70,299)</u>	<u>949,479</u>
<b>Total Support and Revenue</b>			
<b>Operating Expenses</b>			
<b>Personnel</b>			
Executive Director	74,170	-	74,170
Office Coordinator	26,456	-	26,456
Programming Director	43,350	-	43,350
Chief Technician	16,589	-	16,589
Community Outreach Coordinator	850	-	850
Hometown TV Salary/Contracted	61,026	-	61,026
Digital Media Coordinator	31,866	-	31,866
On-Call Production/Office	68,304	-	68,304
Radio Production Coordinator	22,890	-	22,890
Playback Operator and Assistant	23,310	-	23,310
Production Director - #1	55,270	-	55,270
Multi-Media Projects Coordinator	27,922	-	27,922
Fundraising/Underwriter Coordinator	1,063	-	1,063
	<u>453,066</u>	<u>-</u>	<u>453,066</u>
<b>Total Personnel</b>			
<b>Burden</b>			
Payroll Tax Expense	42,078	-	42,078
Medical Insurance	36,451	-	36,451
Retirement Plan	9,898	-	9,898
Workers' Compensation	3,332	-	3,332
	<u>91,759</u>	<u>-</u>	<u>91,759</u>
<b>Total Burden</b>			

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**STATEMENT OF ACTIVITY**  
**For the Year Ended June 30, 2012**  
**(Continued)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Occupancy			
Building - Rent Expense	44,863	-	44,863
Security	4,093	-	4,093
Utilities	11,332	-	11,332
Insurance	15,394	-	15,394
	<u>75,682</u>	<u>-</u>	<u>75,682</u>
Total Occupancy			
General Administration			
Office Expense	24,105	-	24,105
Telephone	5,190	-	5,190
Postage	3,204	-	3,204
Printing	1,553	-	1,553
Subscriptions & Publications	1,019	-	1,019
Legal & Accounting	14,598	-	14,598
Community Relations	9,335	-	9,335
Mileage, Parking & Travel	3,068	-	3,068
Promo & Advertising	5,026	-	5,026
Training	1,010	-	1,010
Festival	2,828	-	2,828
	<u>70,936</u>	<u>-</u>	<u>70,936</u>
Total General Administration			
Production			
Tape Stock	2,192	-	2,192
Program Guide / Viewfinder	1,814	-	1,814
Maintenance, Parts, etc.	22,969	-	22,969
	<u>26,975</u>	<u>-</u>	<u>26,975</u>
Total Production			
In-Kind Expenses	15,000	-	15,000
Equipment			
Depreciation	95,560	-	95,560
	<u>828,978</u>	<u>-</u>	<u>828,978</u>
Total Operating Expenses			
Change in Net Assets - Unrestricted	<u>\$ 190,800</u>	<u>\$ (70,299)</u>	<u>\$ 120,501</u>

The accompanying notes are an integral part of these financial statements.

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**STATEMENT OF CHANGES IN NET ASSETS**  
**For the Year Ended June 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets, Beginning of Year	\$ 498,046	\$ 159,185	\$ 657,231
Prior Year Net Assets Released from Restriction	159,185	(159,185)	-
Increase (Decrease) in Net Assets	<u>31,615</u>	<u>88,886</u>	<u>120,501</u>
Total Net Assets, End of Year	<u>\$ 688,846</u>	<u>\$ 88,886</u>	<u>\$ 777,732</u>

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**STATEMENT OF CASH FLOW**  
**For the Year Ended June 30, 2012**

<b>Cash Flows from Operating Activities</b>	<b>2012</b>	<b>2011</b>
Increase / (Decrease) in Net Assets	\$ 120,501	\$ 306,710
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	95,560	65,081
(Increase) in Prepaid Insurance	(610)	(4,003)
Increase in Vacation Accrual	13,945	-
Increase (Decrease) in Accounts Payable	1,871	(894)
Net Cash Provided by Operating Activities	<u>231,267</u>	<u>366,894</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	<u>(200,124)</u>	<u>(208,815)</u>
Net Increase in Cash	<u>31,143</u>	<u>158,079</u>
<b>Cash, Beginning of Year</b>	<u>392,082</u>	<u>234,003</u>
<b>Cash, End of Year</b>	<u><u>\$ 423,225</u></u>	<u><u>\$ 392,082</u></u>

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**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

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. Accordingly, actual results could differ from those estimates.

Income Taxes

Since the Foundation is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Foundation uses the same accounting methods for tax and financial reporting. GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Foundation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Foundation's returns for years ended June 30, 2010, 2011, and 2012, are subject to examination by federal and state taxing authorities, generally for three years after they are filed.

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. The Foundation capitalizes property and equipment with a purchase price of \$1,000 or more.

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Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

Under GAAP, 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 restricted net assets at June 30, 2011.

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

In accordance with GAAP, contributions to be received in the future are to be recorded at their present value.

Functional Expense Reporting

The costs of providing the Foundation's programs have been summarized by natural classification in the financial statements. Based on estimates developed by management, the cost of program services was \$592,755, the cost of support services was \$203,580, the cost of fundraising was \$32,643, and the total expenses were \$828,978.

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, 2012 was \$44,863. Future minimum rental payments under this operating lease are as follows:

<u>Year Ended June 30</u>	<u>Minimum Rental Payment</u>
2013	14,808

Note 3 - Concentration of Risk

The Foundations maintains its cash in bank accounts that, at times, may not be covered by federal insurance. 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 91% of the Foundation's revenues were provided by The Sacramento Metropolitan Cable Television Commission. The Foundation received a total of \$857,862 from SMCTC for operations and equipment.

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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, 2012, the Foundation's contributions to the plan were \$9,898.

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, 2012.

<u>Description</u>	<u>Useful Life</u>	<u>Amount</u>
Production Vans	5 years	\$ 56,641
Production and Office Equipment	5 to 10 years	<u>1,182,960</u>
Total Fixed Assets		1,239,601
Less Accumulated Depreciation		<u>856,450</u>
Net Fixed Assets		<u>\$ 383,151</u>

Note 7 - Temporarily Restricted Funds

The Foundation received grant money from Sacramento Metropolitan Cable Television Commission (SMCTC), a portion of which is designated as PEG (Public, Educational and Governmental Access Channel Fees) grant money with a donor restriction that it be spent specifically on Capital and Facility improvements and acquisitions. The balance of restricted funds as of June 30, 2011 was originally reported as \$159,185. It was determined in the current year that additional expenses from the prior year qualified under the grant requirements, releasing an additional \$122,035 from restriction. To correct this error, the funds are shown to be released on this year's income statement. The balance that should have remained restricted as of June 30, 2011 is \$37,150.

The Foundation received PEG grant funding in two grants this year, \$79,000 for Capital and Facility expenses and \$289,010 for Capital expenditures only. Combined with the corrected restricted balance as of June 30, 2011, the Organization had \$116,150 available for Capital and Facilities expenditures. The qualified expenses applied to the capital and facilities grant in the current year total exceeded the \$116,150, so all of those funds will be released from restriction as of year end.

Of the \$289,010 grant for capital expenditures, the Organization spent \$200,124 on qualified expenditures. This leaves a balance of \$88,886 in restricted funds at the end of the year.

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Note 8 - 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 non-vesting and no expense or liability is recorded.

Note 9 - Subsequent Events

In preparing these financial statements, Sacramento Community Cable Foundation, dba Access Sacramento has evaluated events and transactions for potential recognition or disclosure through September 17, 2012, the date the financial statements were available to be issued.