

**COMMUNITY MEDIA WORKSHOP, INC.
FINANCIAL STATEMENTS**

**JUNE 30, 2007
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2006)**

**WITH
INDEPENDENT AUDITOR'S REPORT**

RUZICKA & ASSOCIATES, LTD.

Certified Public Accountants

Board of Directors
Community Media Workshop, Inc.

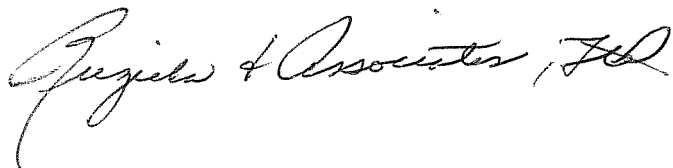
Independent Auditor's Report

We have audited the accompanying statement of financial position of Community Media Workshop, Inc. (a nonprofit organization) as of June 30, 2007 and the related statements of activities and changes in net assets, functional expenses 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. The prior year summarized comparative information has been derived from the organization's 2006 financial statements and, in our report dated August 18, 2006, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Community Media Workshop, Inc. as of June 30, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

November 23, 2007

A handwritten signature in cursive script that reads "Ruzicka & Associates, Ltd." followed by a stylized initial or mark.

COMMUNITY MEDIA WORKSHOP, INC.

**STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS**

**YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE TOTALS FOR JUNE 30, 2006**

	2007					2006	
	Unrestricted			Temporarily Restricted	Total	Total	Total
	General	Fixed Asset	Total				
Revenue and support	\$ 50,000		50,000	498,000	548,000	\$ 121,400	
Foundation and corporate grants	3,211		3,211		3,211	5,835	
Individual contributions	79,816		79,816		79,816	78,727	
Inkind support from Columbia College	56,559		56,559		56,559	53,799	
Contract services	96,675		96,675		96,675	107,352	
Subscriptions	113,314		113,314		113,314	99,146	
Workshops and conferences							
Special events							
Proceeds	60,685		60,685		60,685	39,452	
Expenses	(33,914)		(33,914)		(33,914)	(17,773)	
Investment income	7,500		7,500		7,500	3,179	
Other	90		90		90	1,478	
Net assets released from restriction	260,500		260,500	(260,500)			
	694,436		694,436	237,500	931,936	492,595	
Expenses							
Program services	553,178	4,646	557,824		557,824	487,338	
Management and general	87,977	547	88,524		88,524	82,268	
Fund raising	46,592	273	46,865		46,865	33,082	
	687,747	5,466	693,213	-	693,213	602,688	
Change in net assets	6,689	(5,466)	1,223	237,500	238,723	(110,093)	
Net assets, beginning of year	96,328	19,003	115,331	45,000	160,331	270,424	
Transfers	(1,744)	1,744					
Net assets, end of year	\$ 101,273	15,281	116,554	282,500	399,054	\$ 160,331	

See independent auditor's report and notes to financial statements.

COMMUNITY MEDIA WORKSHOP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE TOTALS FOR JUNE 30, 2006

	2007				2006 Totals only
	Program Services Training and Publications	Management and General	Fund Raising	Total	
Personnel	\$ 276,233	43,900	22,827	342,960	\$ 326,150
Professional fees and contract service	96,468	22,066	16,361	134,895	74,212
Program supplies	8,887			8,887	2,682
Supplies and office expense	5,640	663	332	6,635	7,546
Printing and duplicating	48,381	3,412	500	52,293	44,364
Telephone	6,534	363	363	7,260	7,226
Postage and delivery	30,351	1,642	1,642	33,635	35,960
Marketing	5,006			5,006	13,700
Occupancy	48,787	2,710	2,710	54,207	50,400
Equipment rental and maintenance	6,929	385	385	7,699	6,693
Travel and meetings	11,775	1,472	1,472	14,719	10,201
Dues and subscriptions	5,392			5,392	4,579
Other	2,795	11,364		14,159	14,763
Depreciation	4,646	547	273	5,466	4,212
Total expenses	\$ 557,824	88,524	46,865	693,213	\$ 602,688

See independent auditor's report and notes to financial statements.

COMMUNITY MEDIA WORKSHOP, INC.

STATEMENT OF CASH FLOWS

**YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE TOTALS FOR JUNE 30, 2006**

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Change in net assets	\$ 238,723	\$ (110,093)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,466	4,212
(Increase) decrease in grants receivable	(130,000)	80,000
(Increase) in other receivables	(12,644)	(9,794)
(Increase) decrease in prepaid expenses and other assets	(3,257)	553
Increase in accounts payable and accrued liabilities	21,177	5,906
Increase in amount held as fiscal agent	8,100	
	<u>127,565</u>	<u>(29,216)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities:		
Purchase of fixed assets	(1,744)	(17,108)
Proceeds on sale of investments		
	<u>(1,744)</u>	<u>(17,108)</u>
Net cash provided (used) by investing activities		
	125,821	(46,324)
Net increase (decrease) in cash		
Cash and cash equivalents at beginning of year	<u>89,130</u>	<u>135,454</u>
Cash and cash equivalents at end of year	<u>\$ 214,951</u>	<u>\$ 89,130</u>
Supplementary information		

COMMUNITY MEDIA WORKSHOP, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

1. **Organization:**

Community Media Workshop, Inc. (the Workshop) is an Illinois not-for-profit corporation organized to connect community-based groups and the news media through training and publications. The Workshop encourages and fosters closer understanding of how to use mass communication to the benefit of other charitable and communication organizations. The Workshop was incorporated on June 21, 1991.

2. **Significant Accounting Policies:**

The accompanying financial statements are presented in accordance with the Statement of Accounting Standards No. 117 "Financial Statements of Not-For-Profit Organizations."

Revenue and expense recognition

Revenue and expenses are recorded on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized as incurred. All contributions are considered to be available for unrestricted use unless otherwise specifically restricted by donors. Contributions are recorded and recognized as income when notice of award or a pledge is received. Restricted contributions are recorded as revenue in temporarily restricted net assets if limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the Workshop or in permanently restricted net assets if such contributions are non-expendable. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Fixed assets, depreciation and amortization

Expenditures for major items of furniture and equipment are capitalized and depreciated over the estimated useful lives (primarily 5 years) of the related assets on the straight-line method.

Allocation of expenses

Certain common costs (such as salaries, rent, office expenses, etc.) have been allocated among the Workshop's program, administrative, and fundraising expenses based upon determinations by management.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. **Net Assets:**

The Workshop classifies its net assets into three categories:

Unrestricted net assets include all of the unrestricted support and revenue of the Workshop, all of the expenses of the Workshop, and transfers from temporarily restricted net assets for reimbursement of expenditures that meet the restrictions of the donors.

Temporarily restricted net assets include all the restricted support and revenue of the Workshop. Transfers are made from this fund to unrestricted net assets as expenditures are incurred which meet the restrictions of the donors.

Permanently restricted net assets include funds received from donors with the stipulation that they be permanently retained by the Workshop in perpetuity and that only the income and/or use of the assets are available to the Workshop. At June 30, 2007, the Workshop had no permanently restricted net assets.

4. **Temporarily restricted net assets:**

Temporarily restricted net assets are comprised of the following:

	<u>2007</u>	<u>2006</u>
For fiscal year 2007, 2008, and 2009 operations	<u>\$282,500</u>	<u>\$45,000</u>

5. **In-kind support from Columbia College:**

In-kind support from Columbia College is as follows:

Rent	\$54,000
Postage	20,116
Telephone	<u>5,700</u>
	<u>\$79,816</u>

6. **Line of credit:**

The Workshop has an available line of credit balance of \$35,000. There are no borrowings against this line at June 30, 2007.

7. **Amounts held as fiscal agent:**

During fiscal year 2007, The Workshop acted as fiscal agent for two small organizations. At June 30, 2007, the remaining monies held for these organizations totaled \$8,100.

8. **Comparative Financial Information:**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2006, from which the summary information is derived.