

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

**JUNE 30, 2008  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2007)**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

# ***RUZICKA & ASSOCIATES, LTD.***

*Certified Public Accountants*

Board of Directors  
Community Media Workshop, Inc.

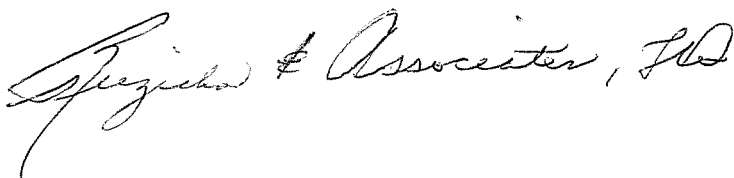
## **Independent Auditor's Report**

We have audited the accompanying statement of financial position of Community Media Workshop, Inc. (a nonprofit organization) as of June 30, 2008 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 2007 financial statements and, in our report dated November 23, 2007, 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, 2008 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.

October 16, 2008

A handwritten signature in cursive script that reads "Ruzicka & Associates, P.C." The signature is written in dark ink and is positioned to the right of the date.

**COMMUNITY MEDIA WORKSHOP, INC.**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2008  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2007**

	2008				2007 Total
	General	Unrestricted Fixed Asset	Total	Temporarily Restricted	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 80,593		80,593	62,500	\$ 214,951
Grants receivable	3,000		3,000		175,000
Other receivables	15,012		15,012		24,563
Prepaid expenses and other assets	11,388		11,388		7,969
Fixed assets, at cost less accumulated depreciation of \$86,753 in 2008 and \$81,310 in 2007		14,781	14,781		15,281
Total assets	\$ 109,993	14,781	124,774	62,500	\$ 437,764

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	\$ 19,283		19,283		\$ 30,610
Deferred revenue	9,372		9,372		8,100
Amount held as fiscal agent	6150		6,150		
Total liabilities	34,805		34,805	34,805	38,710
Net assets	75,188	14,781	89,969	62,500	399,054
Total liabilities and net assets	\$ 109,993	14,781	124,774	62,500	\$ 437,764

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

**COMMUNITY MEDIA WORKSHOP, INC.**

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

**YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2007**

	2008				Temporarily Restricted	Total	2007	
	General	Unrestricted Fixed Asset	Total				Total	Total
Revenue and support	\$ 54,000		54,000		50,000	104,000	\$ 548,000	
Foundation and corporate grants	3,943		3,943			3,943	3,211	
Individual contributions	76,966		76,966			76,966	79,816	
Inkind support from Columbia College	49,622		49,622			49,622	56,559	
Contract services	110,059		110,059			110,059	96,675	
Subscriptions	84,259		84,259			84,259	113,314	
Workshops and conferences								
Special events								
Proceeds	67,092		67,092			67,092	60,685	
Expenses	(36,618)		(36,618)			(36,618)	(33,914)	
Investment income	5,736		5,736			5,736	7,500	
Other	101		101			101	90	
Net assets released from restriction	270,000		270,000		(270,000)			
	685,160		685,160		(220,000)	465,160	931,936	
Expenses								
Program services	573,814	4,627	578,441			578,441	557,824	
Management and general	90,206	544	90,750			90,750	88,524	
Fund raising	42,281	273	42,554			42,554	46,865	
	706,301	5,444	711,745		-	711,745	693,213	
Change in net assets	(21,141)	(5,444)	(26,585)		(220,000)	(246,585)	238,723	
Net assets, beginning of year	101,273	15,281	116,554		282,500	399,054	160,331	
Transfers	(4,944)	4,944						
Net assets, end of year	\$ 75,188	14,781	89,969		62,500	152,469	\$ 399,054	

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

**COMMUNITY MEDIA WORKSHOP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE TOTALS FOR JUNE 30, 2007**

	2008			2007 Totals only
	Program Services Training and Publications	Management and General	Fund Raising	
Personnel	\$ 324,312	48,950	24,230	\$ 397,492
Professional fees and contract services	76,319	15,932	8,640	100,891
Program supplies	8,469			8,469
Supplies and office expense	5,476	644	3,117	9,237
Printing and duplicating	26,819	3,790	500	31,109
Telephone	6,760	376	375	7,511
Postage and delivery	25,152	1,397	1,397	27,946
Marketing	18,180			18,180
Occupancy	48,600	2,700	2,700	54,000
Equipment rental and maintenance	7,446	414	414	8,274
Travel and meetings	16,340	908	908	18,156
Dues and subscriptions	6,838			6,838
Other	3,103	15,095		18,198
Depreciation	4,627	544	273	5,444
Total expenses	\$ 578,441	90,750	42,554	\$ 711,745
				\$ 693,213

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

**COMMUNITY MEDIA WORKSHOP, INC.**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2007**

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ (246,585)	\$ 238,723
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	5,444	5,466
Decrease (increase) in grants receivable	172,000	(130,000)
Decrease (increase) in other receivables	9,551	(12,644)
(Increase) in prepaid expenses and other assets	(3,419)	(3,257)
(Decrease) increase in accounts payable and accrued liabilities	(11,327)	21,177
Increase in deferred revenue	9,372	
(Decrease) increase in amount held as fiscal agent	(1,950)	8,100
	(66,914)	127,565
Net cash (used) provided by operating activities		
Cash flows from investing activities:		
Purchase of fixed assets	(4,944)	(1,744)
	(4,944)	(1,744)
Net cash (used) by investing activities		
Net(decrease) increase in cash	(71,858)	125,821
Cash and cash equivalents at beginning of year	214,951	89,130
Cash and cash equivalents at end of year	\$ 143,093	\$ 214,951
Supplementary information		
Total interest paid	\$ 47	\$ -

# COMMUNITY MEDIA WORKSHOP, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

### 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, 2008, the Workshop had no permanently restricted net assets.

**4. Temporarily restricted net assets:**

Temporarily restricted net assets are comprised of the following:

	<u>2008</u>	<u>2007</u>
For fiscal year 2008 and 2009 operations	<u>\$62,500</u>	<u>\$282,500</u>

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

In-kind support from Columbia College is as follows:

Rent	\$54,000
Postage	17,266
Telephone	<u>5,700</u>
	<u>\$76,966</u>

**6. Line of credit:**

The Workshop has an available line of credit balance of \$100,000. There are no borrowings against this line at June 30, 2008.

**7. Concentration of risk:**

At June 30, 2008, The Workshop has \$136,582 on deposit in four accounts at a major Chicago and national bank.

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

During fiscal year 2008, The Workshop acted as fiscal agent for two small organizations. At June 30, 2008, the remaining monies held for these organizations totaled \$6,150.

**9. 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, 2007, from which the summary information is derived.