Greetings Media Center fans and stakeholders!

It’s time for our annual update, and we must begin by telling you that we are deeply grateful for your support!

To those who so generously donate funds to help augment our finances; to those who give so unstintingly of their time to sustain our operations; to our employees who work so hard to provide access, professional services, youth services and programming; to all who use our studios, camps, and other offerings: THANK YOU. In these challenging times, we are especially thankful for your ongoing belief in our mission and confidence in our work.

2008 Successes

Even during this difficult time, when we have to watch every dollar we spend, your Media Center is thriving. Our basic production class attendance rose 94% over 2007, and our fee for service revenues increased by 15%.

We produced 660 community programs in our facility, covered innumerable local government meetings and added archiving services for all PAUSD (Palo Alto School District) meetings. The Media Center also provided outstanding local election coverage, offering the only up-to-the-minute live local election results news show as well as extensive campaign coverage of candidates and issues with numerous forums and debates broadcast on Channel 27 and available on our website.

We expanded our youth program with the addition of an AmeriCorps-sponsored apprentice and forged new relationships with a range of youth groups. A graduate of our “Youth Advisory Council” made a wonderful video about this program. Watch our youth in action on http://blip.tv/file/1717422.

We are also leading the way on environmental issues! Last year, we became an official Green Certified Business and switched to Green Energy. With installation of our 10 KW PV solar system on our roof completed, we delight in watching our electric meter spin backwards. But our most visible green initiative is our Greenlight Film Festival, featuring student-produced films that explore environmental citizenship.

Legislative Update

The Media Center continued to play a critical role in helping policymakers understand the threat to local access posed by non-compliant video providers. We worked with the California Public Utilities Commission (CPUC) to produce a video demonstration of AT&T’s inferior delivery of community channels on its U-Verse service. The CPUC Division of Rate Payer Advocates linked it to a consumer alert on their website. An independent engineering report found no technical reason for AT&T’s discriminatory treatment of Community Channels, and AT&T informally confirmed the deficiencies in its system.

As a result of our efforts and the work of others, legal and legislative remedies at the state and national levels are now in progress. The Alliance for Community Media (ACM) filed an FCC petition asking for a ruling that AT&T’s method of delivering channels over the U-Verse system is contrary to state law, the Federal Cable act and FCC rules. The City of Los Angeles and the Sacramento County Cable Commission recently filed suit regarding AT&T’s non-compliance to California state law.

The final resolution of the case may determine the future of community channels in California and many other states. As always, the Media Center will remain vigilant in its scrutiny of these activities, providing expertise and context whenever possible.

Strategic Priorities

This year, we also looked ahead. We undertook a careful strategic planning process to ensure that our work is strategically aligned with our mission and values. Our top priorities over the next three years are to determine our “place in cyberspace,” to stay relevant in the ever-evolving world of media, and to develop a resource and technical framework to support our continuing work. Our other priorities include:

• Strengthening community partnerships with particular focus on youth and on ethnic communities – including those in the new Jewish Community Center nearly finished just across the street and in the mosque being constructed nearby.
• Reducing our use of non-renewable energy, and using the power of video to encourage others to do the same.
• Supporting the institutional fiber network that connects public facilities and increasing its relevance to the community.
• Growing our professional services income by focusing on small for-profit enterprises and community nonprofits.

You can read more about these priorities on our website: www.midpenmedia.org/reports/MC_Strategic_priorities_2008_2011.pdf

Your Support is More Important Than Ever!

Thanks for your past support. We know that budgets are tight and finances strained. But we rely on your generosity! Even small gifts add up to making a big difference. We look forward to another productive and rewarding year, working together.

Warmly,

Barbara Noparstak
Board President

Annie Folger
Executive Director
Financial Report

Media Services Headline Revenue Performance for Another Year

Our Professional/Media Services and Contracted Meeting Coverage revenues increased by more than 15% from 2007 to 2008. In 2008 these combined revenues totaled $282,100, up from $244,200 in 2008. Public, Education and Government (PEG) subscriber pass-through fees, the primary source of operating revenue, were essentially flat as compared to 2007. Resulting total operating revenue for 2008 was $745,700, a 2% increase over 2007.

Expenditures Increased to Support Higher Levels of Activity

Operating expenses grew by 4.9% in 2008. This was largely due to the addition of part time professional services staff to support our increased production. Facility expenses were nearly unchanged from 2007 representing 5.5% of total operating expense. This continues to demonstrate the benefit derived from ownership of the facility and usage of newly installed solar panels.

Bottom line, we finished the year with $139,800 in net operating loss. This was $22,200 less than the operating loss authorized by the Board.

Downturn Shrinks Capital Fund

Our Net Assets declined by $1,955,700 from 2007 to 2008. Most of that decrease was due to the investment market and global economic conditions. The Board continues to invest the capital fund conservatively with the advice of professional investment managers.

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### UNAUDITED STATEMENT OF FINANCIAL POSITION

**December 31, 2008**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES AND NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>EXPENSES</td>
</tr>
<tr>
<td>Current assets</td>
<td>Current liabilities:</td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>Accounts payable &amp; accrued expenses $30,559</td>
</tr>
<tr>
<td>Investments</td>
<td>Unearned revenue 48,199</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>Total current liabilities 78,758</td>
</tr>
<tr>
<td>Prepaid expenses &amp; other current assets</td>
<td>Net assets:</td>
</tr>
<tr>
<td>Total current assets</td>
<td>Unrestricted, undesignated 3,853,898</td>
</tr>
<tr>
<td>Fixed assets, net of accumulated depreciation</td>
<td>Unrestricted, designated 506,120</td>
</tr>
<tr>
<td>Total assets</td>
<td>Unrestricted, fixed assets 2,448,248</td>
</tr>
<tr>
<td>$6,889,024</td>
<td>Total net assets 6,810,266</td>
</tr>
</tbody>
</table>

Net assets, beginning of period $8,765,972

Change in net assets -1,955,706

Net assets, end of period $6,810,266

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### UNAUDITED STATEMENT OF OPERATIONS

**For the year ended December 31, 2008**

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEG subscriber pass-through fees</td>
<td>Salaries &amp; benefits $573,333</td>
</tr>
<tr>
<td>Contracted meeting coverage</td>
<td>General operating 102,288</td>
</tr>
<tr>
<td>Professional/media services</td>
<td>In-kind legal services 41,849</td>
</tr>
<tr>
<td>Contributions &amp; grants</td>
<td>Professional svcs 119,149</td>
</tr>
<tr>
<td>Contributions &amp; grants</td>
<td>Facility 48,910</td>
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<tr>
<td>In-kind contributions</td>
<td>Total expenses 885,529</td>
</tr>
<tr>
<td>Class &amp; facility use fees</td>
<td>NET OPERATING INCOME/LOSS $139,806</td>
</tr>
<tr>
<td>Interest income 670</td>
<td>Total revenues 745,723</td>
</tr>
<tr>
<td>Tape sales &amp; other income, net of cost of goods sold 5,337</td>
<td></td>
</tr>
</tbody>
</table>

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### Pie Charts

- **REVENUES**
  - Contracts & professional services 38%
  - PEG subscriber pass-through fees 45%
  - Contributions & grants 3%
  - In-kind contributions 6%
  - Class & facility use fees 8%

- **EXPENSES**
  - Salaries & benefits 65%
  - General operating 12%
  - In-kind legal services 5%
  - Professional services 13%
  - Facility 5%
Our History

Thanks to the vision and generosity of Cable Co-op, Midpeninsula Community Media Center was created though the 2001 merger of Mid-Peninsula Access Corp, operating since 1990, and Silicon Valley Community Communications, established by Co-op to keep local programming alive. We serve Atherton, East Palo Alto, Menlo Park, Palo Alto, Stanford and unincorporated portions of San Mateo and Santa Clara counties.

Our Mission

Our Mission is to inform, inspire, and empower people to speak and act on behalf of their communities, to use television and the internet to create and distribute programs that promote and celebrate individual expression, local achievements, education, cultural exchange, arts appreciation, and civic engagement. The Media Center is a 501(c)(3) public benefit corporation.

Classes & Equipment

Our basic production classes enjoyed a big boost in attendance in 2008. Editing and studio production class graduates increased by 94% over 2007. Our expanded youth programs contributed to that success. The New Voices for Youth project of the League of Women Voters brought 40 students from Menlo Atherton High School to our studio workshop.

Attendance in our “new media” classes also grew. Publishing Media on the Web was the most popular. We now offer private tutoring sessions as well. Please review this list and if you think of other classes you would like us to offer, contact us at classes@midpenmedia.org:

- Adobe Photoshop
- Compelling Talk Shows
- Digital Editing with Apple Final Cut Pro
- Digital Editing with Apple iMovie
- Digital Stories
- Field Production
- Advanced Final Cut Pro
- Lighting in the Field
- Performance and Sports Coverage
- Podcasting
- Publish Your Media on the Web
- Studio Production

After taking our classes, students are certified community producers eligible to use our equipment and facilities to create their own non-commercial programs for distribution on our cable channels.

No one is turned away from our fee-based classes due to lack of funds. We price our classes so that we cover their costs with the minimum number of paid students, and then we can offer additional seats in the class. We were able to grant 41 full and 4 partial scholarships in 2008.

Digiquest Summer Camp

Parents looking for fun, educational and creative activities for their kids last summer, signed them up for our Digiquest digital media workshops. Camp days run Monday through Friday from 9AM–4PM and are open to ages 11 – 17. Campers learn industry-leading video, sound and graphics software in our up-to-date classroom. Youth also learn producing, directing, acting, camera work, graphics, audio and more as they create their own TV shows in our full-service TV studio.

Last summer, we upgraded the classroom with eight new computers and the latest creative software.

Summer workshops for youth are offered each year in Movie Production, Movie Editing using Final Cut Pro, Live Type, Soundtrack Pro and more. In TV Studio Production, campers learn how to produce, star, and crew on their own shows.
Community Programs

We initiated a number of “on-ramp” activities to bring new community members to our door. These activities included our Community Forum and New Media Series:

- *Meet the Palo Alto City Manager Jim Keene*
- *Raising Kids in our 24/7 Digital Media World*
- *YouTube Salon: What’s Your Fave?*

With our NGO platform, we helped two agencies that have wide networks launch their own series:

- *Make the Call* produced with the East Palo Alto Police Department (WAVE Award Finalist)
- *Green Takes Action!* produced by Community Environmental Action Partnership (CEAP)

We boosted our connections with the community with these events:

- *Greenlight Earth Day Film Festival* (WAVE Finalist)
- *Digiquest Summer Camp* Screening and Awards Ceremony
- *Faces of Local Heroes* profiles
- *Youth Video Week*
- Producer Showcase and Volunteer Appreciation
- Various Producer Screenings
- Various *MC Studio Sessions* featuring Blues/Funk and Eastern European music. Two sessions were honored as WAVE Award Finalists:
  - *Jazz: Wobogo Jazz Ensemble*
  - *Art: Abstractions of Chakras*

Community Shows included:

- *American Songwriter* – Emerging local singer/songwriters/bands perform original music (WAVE Finalist)
- *A Conversation about Economics* – Stanford scholars explore current economic issues
- *Bay Area Bicycling Scene* – Biking enthusiast highlights topics of interest to cyclists
- *Black EPA Issues* – Community activist profiles social, political and economic issues of concern to African Americans in East Palo Alto
- *Chess Diva* – Young adult chess masters share insights into the game (WAVE Winner)
- *Abilities United Presents Community Connections* – Social worker discusses employment and life skills training for people with special abilities and needs
- *Peninsula Astronomical Society Night Skies* – Astronomers and hobbyists discuss what constellations and meteors are visible
- *Spotlight on the Middle East* – Experts discuss current issues concerning the Middle East
- *Spirit Talk* – Ecumenical enthusiast interviews local spiritual leaders
- *Swara Lahari* – Musicians perform classical Indian music
- *Toastmasters Bay to Bay* – Club chapter leaders provide advice and demonstrations in the art of declamation
- *Tonga TV* – Local Tongan social and religious events are presented
- *Veterans Helping Veterans* – Services and issues pertinent to veterans and their families are discussed
- *Viet Connection* – Topics and interviews of interest to the Bay Vietnamese community are discussed

Government Meetings

Our comprehensive coverage of government meetings totaled 1,531 hours in 2008. In all, we produced 339 city hall and school board meetings. All meetings originating in our service area ran live on our Government Channels 26 and 29:

- 730 hours for Palo Alto
- 292 hours for Belmont
- 204 hours for East Palo Alto
- 187 hours for Menlo Park
- 118 Hours for PAUSD School Board

In addition we provided archiving services for 282 meetings. Each meeting is indexed by agenda item and made available online. We continued these web services for Belmont, Palo Alto, and Redwood City, and added them for Palo Alto Unified School District (PAUSD).

Local Election Coverage

The Media Center produced *Election Night 2008: Local Focus*, in which we automatically scraped three different websites, enabling us to display up-to-the-minute results for local elections. The traffic to our website reached peak levels over the four days before Election Day. By producing two debates on state propositions 7 and 11, we reached out to visitors statewide.

Once again we were able to cover all local races, including State Assembly and Judges, Atherton, East Palo Alto and Menlo Park city councils, Ravenswood School District, and Palo Alto Bond issues. We uploaded searchable podcasts of every candidate forum, and also recorded candidate statements for two local races.
Youth Services

This year, our youth programs continued to grow and expand. Throughout the year, other youth programs grew to include internships for experienced high school and college-aged youth, 49ers Academy after-school program, partnerships with Public Allies, interactive tours, collaborations with community groups, and more. The Greenlight Earth Day Film Festival continued its third year through a partnership with the City of Palo Alto and other sponsors.

Youth Advisory Council

The YAC is an award winning after-school program for high school students interested in gaining video and leadership experiences.
- Participated in high quality video production, community service, media literacy, as well as advising the Media Center on new trends.
- Launched the third class of YAC in September, representing students from Gunn, Palo Alto, La Perouse, Kehillah, and Menlo-Atherton high schools.
- Produced five TV Studio shows, four documentary projects, and eight short film projects.

Internships

In addition to our regular high school and college internship program, we grew to include partnerships with Menlo-Atherton, EPA Academy, and Summit high schools, and Spark.

Professional Services

The Media Center offers professional media services to local agencies, small businesses and non-profit organizations to fill their communication needs, whether website clips, training videos, fundraising campaign messages, public service announcements, live event coverage, or documentaries. Revenues for these combined services grew by 15% from 2007 to 2008.

Clients include:
- Abilities United
- Anna Eshoo
- Army: Madigan Army Medical Center
- Bkwld
- City of Menlo Park
- City of Redwood City
- City of San Jose
- Exploring a Sense of Place
- First Act Silicon Valley
- Glynn Devins Advertising & Marketing
- Haas Business School
- Honest Engine TV
- iAmplify
- Lizmar
- LWV
- Menlo College
- Palo Alto Chamber of Commerce
- Palo Alto City Manager’s Office
- Palo Alto Utilities
- PAUSD
- Senior New Ways
- Stanford Humanities
- Talk Art
- Toolboxes and More

Greenlight Earth Day Film Festival 2008

- Number of Entries: 30
- Number of Producers: 56
- Sponsors: Media Center, City of Palo Alto, Palo Alto Weekly, Palo Alto Online, and Hewlett-Packard
- Prizes: $2,500 to nine winning videos

Public Allies

In September 2008, we welcomed Becca Fisher through a partnership with Public Allies Silicon Valley, an AmeriCorps program. As our Media Access Associate, Becca brought several new programs to the Media Center, including an afterschool video program at 49ers Academy in East Palo Alto. There she trained middle school students to create programs like Girl’s Tyme. She also worked closely with producers both in the studio and in edit suites to create content for the air and online.
Our Volunteers

Our studio crew volunteers are our most cherished assets. Thanks to their talents and dedication, the Media Center studio bustles with activity from 5:30 to 10:30 PM. In just five hours, two separate programs are produced and ready to air. Trained volunteers carry out the vision of community producers by building the set, designing the graphics, and operating all of the studio equipment. We greatly appreciate our volunteers!
Our Donors and Members

We hope that you will join with us. Become a member, remain a member and help us reach our goals. We are grateful to our members and donors for their support. We thank our Advisory Council for sharing their expertise and for acting as Media Center Ambassadors in our community.

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