2011-12 FINANCIALS

Cm²

marin tv

FINANCIALS

November 2012

CMCM entered the third year of operations with the uncertainty that a fourth year of operations would be possible. Fortunately the transition to DIVCA was completed, and despite a settlement with Comcast that reduced the anticipated PEG fees, some of those funds did began flowing to CMCM for PEG operations in the 21011/12 fiscal year.

Given this initial uncertainty, CMCM has operated very conservatively since it's very beginning, maintaining a minimal staff and budget that met the requirements of the DAP agreement but which has provided no opportunity for expansion. This fiscal strategy was necessary to extend the initial funding as long as possible, until Comcast DIVCA PEG fees could be secured. CMCM has also been careful during this period to maintain a reserve fund for emergencies and necessary equipment replacement/upgrade which is slated to begin this fiscal year. Yet, that reserve fund has been diminished and it's preservation is crucial for the organization's stability and ability to move forward in the coming years.

At current PEG fee funding levels, CMCM will continues to face a very difficult fiscal reality moving forward. We project that even at current spending levels we will see deficits eventually overcome reserves and place the organization in an untenable and unstable operating position. Refreshing capital equipment is essential for CMCM's head-end to continue to deliver stable signals for cable distribution.   We also need to replace equipment used in the field and in our teaching facility in order to stay relevant to our mission. This year we are already planning an upgrade of our editing facilities and teaching lab to stay current with the latest versions of the software we provide instruction for. If we neglected to do so, we will see an erosion of revenue as course enrollments decline and a loss of relevance to our profession. Capital reserves are also necessary for an unexpected crisis such as the unfortunate potential for flooding of the facility and the need to remediate this risk. There is also a need to finish implementation of back-up power generation for emergency broadcast capability.

FINANCIALS

CMCM's overall PEG responsibilities have grown over the last three years as expected and we project even more governmental and educational services in the near term. Without the additional staffing needed to meet even the current demand for services, CMCM has necessarily diverted staff from other duties to new responsibilities, an impact that further diminishes our intended impact and educational mission to the communities we serve.

Operating at our current staffing levels should not be considered a viable option for the coming years as it will force the organization into poor non-profit management practices out of desperation. The outcome will be high staff turnover that will seriously compromise the quality of service that can be provided to all the sectors we serve (community, educational and governmental) and a reduction in overall services. Likewise, the erosion of reserve funds will eventually cripple and force a premature shutdown of the organization should it face even a minor crisis.

Maintaining an appropriate level of sustainable and professional service will require additional funds from the MTA over the period of the Comcast settlement. Together, we have a window of opportunity before us to work out a sustainable solution to ensure the vision of PEG media can continue to grow in Marin. CMCM is committed to working with the MTA to ensure the media center and the many sectors it serves can continue to grow as a vibrant community resource and meet the new potential of expanded governmental and educational services.

Sincerely,

Michael Eisenmenger
Executive Director

CAPITIAL EXPENDITURES

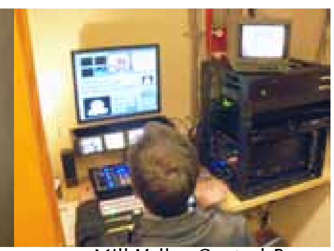
During our third operational year, capital expenditures under the capital plan stayed modest as in year two. The largest single expense was for new distributed facilities equipment, while the largest internal expense was in master control and playback to continue to meet the growing storage and programming demands. Equipment repairs and replacement accounted for much of the remainder of spending, a category that continues to grow with increased equipment usage.

CMCM made great strides in the second fiscal year building out three separate distributed facilities at the Marin Youth Center, Mill Valley Council Chamber and the San Rafael Council Chamber. The third year saw delays in the creation of new city facilities, with only Fairfax acquiring equipment in June/July for an installation in August. More cities are planned to come online in the coming year.

San Rafael

Mill Valley

Fairfax Installation



Mill Valley Control Room

A Summary of Capital Expenditures by Category Under the Capital Plan

Capital Area	As of 6/30/11	7/1/11-6/30/12	Total as of 6/30/12
Computer Edit Stations, Dubbing	$51,543.40	$1,944.04	$53,487.04
Studio, Control Room	$142,467.99	$1,477.76	$143,945.75
Office Computers	$9,174.62	$1,751.29	$10,925.91
Field & Portable Studio Equipment	$149,263.56	$3,088.88	$152,352.44
Master Control and Playback	$154,574.07	$11,456.31	$166,030.38
Office Furniture and Equipment	$23,470.15	$1651.00	$25,121.15
Video Misc. - Cables/Presentation	$17,881.56	$560.78	$1,8442.34
Facility Renovation and Repair	$279,410.31	$349.00	$279,759.31
Distributed Facilities Civic Center	$112,553.78*	$175.00	
Distributed Facilities Youth Center	$31,934.51	$0	
Distributed Facilities City Facilities	$41,145.67	$34,956.05**	
Distributed Facilities Total	*$185,633.96*	*$35,311*	*$220,944.96*
Grand Total	**$1,013,419.62**	**$57,410**	**$1,071,009.28**

NOTE: All totals above are hard capital costs and do not include labor.
** Equipment purchased by MTA 2008 ** includes County iNet charges for distributed sites*

See attached spreadsheet for current equipment inventory. This list is used for all equipment that is tagged with numbered labels marked "Property of MTA/CMCM". Equipment is added to this list when valued at over $1000 (as required by the MTA/CMCM DAP agreement). CMCM also includes all equipment on this list that is checked out for public use (no matter the value). In addition to inventory labels, most equipment for public check out is also permanently engraved.

FINANCES

Community Media Center of Marin
Statement of Activities*
For the Period July 1, 2011 through June 30, 2012

	Actual
Revenue:	
Restricted Peg Fees	38,478**
Unrestricted PEG Fees	314,369
Net Assets Released from Restrictions	352,800***
Direct Public Support	67,760****
Interest Income / Investment Dividends	43,602
Fee for Service/Miscellaneous	52,129
Program Revenue	28,349
Total Revenue	**$544,687**
Expenditures:	
Insurance	6,073
Capitalized Equipment this Period	78,839
Capitalized Facilities Salaries this Period	94,014
Equip. Rental/Mtc	3,998
Rent	46,655
Utilities	22,245
Salaries, capitalized	63,890
Equipment/Furniture less than $1,000	9,179
Business Expenses	2,554
Advertising/Promotion	930
Contract Services	18,204
Program Expense (miscellaneous)	1,686
Event Expense	2,141
Operations	8,558
Salaries/Wages	211,703
Benefits	37,350
Recruitment Expense	225
Travel/Meetings	5,694
Total Expenditures	**$613,968**
Total Gain (Loss) to Cash Balance for Period	**(69,281)**

* NOTE: the independent audit of CMCM for this fiscal year is in progress, this should be viewed as a preliminary report.

** Restricted fund income.

*** Deferred revenue, indicates funds releaseds from reserves for operations prior to reciept of retractive Comcast fees.

**** Includes one-time 50K support grant from County of Marin