



325 Soquel Avenue
Santa Cruz, CA 95062

**BOARD OF
DIRECTORS**
Finance Committee Meeting
April 15, 2019
10:30 A.M.
Offices of the Corporation

AGENDA

1. Attendance

(Chair) Joe Hall, Tom Manheim, Maitreya Maziarz

2. Oral Communications

Any person may address the Committee during its Oral Communications period. All Oral Communications must be directed to an item not listed on today's Consent or Regular Agenda, and must be within the jurisdiction of the Committee.

3. Consideration of Late Additions to the Agenda; additions and deletions to the Regular Agenda.

REGULAR AGENDA

4. Consider Approval of March 2019 Financial Reports *

5. Consider Approval of Co-Working Space Rental Policy *

6. Consider Approval of Independent Compilation Report for Fiscal Year 2015 *

7. Consider Approval of CTV Independent Compilation Report for Fiscal Year 2016 *

8. Consider Approval of CTV Independent Compilation Report for Fiscal Year 2017 *

9. Financial Update

10. Adjournment.

Any person may address the Board Committee during its Public Comment period. Each presentation will be limited to three minutes and individuals may speak only once during Public Comment. A maximum of five minutes will be set aside for this period at this meeting. If the period runs beyond five minutes, the Board may, at its discretion, allow time at the end of the meeting for additional public comment. All comments must be directed to an item NOT listed on today's agenda and must be within the subject matter jurisdiction of the Board. Preference will be given to individuals who did not speak at the previous Board meeting. All speakers must address the entire Board and will not be permitted to engage in dialogue. Speakers are requested to sign the sheet designated for that purpose so that their names may accurately be reflected in the minutes of the meeting. Regular Agenda Items: Members of the public may speak on any item on the agenda. Each presentation will be limited to three minutes. The maximum time devoted to public input on any item will be determined by the Chair.

* **Material Included in Packet**

Community Television of Santa Cruz County
Capital Profit Loss Budget Performance
March
2019

	Annual Budget 2018-19	Last Month	March 2019	March Year to Date	% of Annual Budget	Amount Remaining
4000 · CAPITAL REVENUE						
4100 · County PEG Fees	500,000.00	0.00	0.00	250,000.00	50%	250,000.00
4105 · County PEG Fees - Youth Grant	100,000.00	0.00	0.00	100,000.00	100%	0.00
TOTAL INCOME	600,000.00	0.00	0.00	350,000.00	58%	250,000.00
5000 · CAPITAL EXPENDITURES						
5100 · Facility						
7400 · Facility Lease	239,124.00	15,225.78	15,213.03	137,052.18	57%	102,071.82
6701 · Facility/Equip. Insurance	9,300.00	692.60	776.60	6,905.40	74%	2,394.60
7058 · Leasehold Improvements/Capital	30,000.00	0.00	240.00	1,983.00		28,017.00
7300 · Facilities & Equipment Rental	1,000.00	41.33	41.33	353.82	35%	646.18
Total 5100 · Facility	279,424.00	15,959.71	16,270.96	146,294.40	52%	133,129.60
5200 · Equipment						
6650 · Interest on Leased Equip	0.00	6.56	2.31	140.34		-140.34
7215 · Copy Machine Lease	5,000.00	189.42	199.53	1,838.54	37%	3,161.46
7051 · Equipment Repair	5,000.00	0.00	0.00	0.00	0%	5,000.00
7056 · Equipment - Depreciated	140,596.00	1,410.06	4,927.06	24,396.96	17%	131,903.02
7057 · Equipment - Non Depreciated	15,000.00	436.52	794.96	9,591.95	64%	-29,660.77
7060 · Equipment Grant Program - Depreciated	100,000.00	0.00	0.00	0.00	0%	100,000.00
7061 · Equipment Leases	50,000.00	0.00	0.00	0.00	0%	49,505.00
7062 · Software as a Service	4,320.00	1,486.75	436.97	8,692.98	201%	-4,372.98
Total 5200 · Equipment	319,916.00	3,529.31	6,360.83	44,660.77	14%	275,255.23
5300 · Media Licensing						
7059 · Music Library	660.00	55.00	55.00	495.00	75%	165.00
Total 5300 · Media Licensing	660.00	55.00	55.00	495.00	75%	165.00
Total 5000 · CAPITAL EXPENDITURES	600,000.00	19,544.02	22,686.79	191,450.17	32%	408,549.83
NET INCOME/LOSS	0.00	-19,544.02	-22,686.79	158,549.83		

Community Television of Santa Cruz County
Operating Profit Loss Budget Performance
March
2019

	Annual Budget 2018-19	Last Month	March 2019	March Year to Date	% of Annual Budget	Amount Remaining
4300 · OPERATING REVENUE						
4101 · County BOS Meetings	28,000.00	1,550.00	1,395.00	14,802.50	53%	13,197.50
4103 · City of Capitola Gov. Meetings	7,000.00	500.50	1,116.50	5,738.25	82%	1,261.75
4104 · SCMTD Meetings	2,500.00	346.50	192.50	2,154.00	86%	346.00
4106 · City of Santa Cruz Gov. Mtg.	33,000.00	4,030.00	3,875.00	27,764.00	84%	5,236.00
4108 · SCCRTC Meetings	2,500.00	462.00	308.00	4,494.75	180%	-1,994.75
4109 · SCWD Government Meetings	5,200.00	308.00	731.50	3,569.50	69%	1,630.50
4120 · Facility & Equipment Use	126,000.00	12,212.11	11,146.09	114,208.76	91%	11,791.24
4121 · SLVWD Meetings	6,000.00	385.00	924.00	3,871.75	65%	2,128.25
4122 · PVUSD	5,700.00	385.00	666.05	4,319.55	76%	1,380.45
4130 · Classes	1,000.00	0.00	0.00	513.00	51%	487.00
4165 · Donations	500.00	0.00	25.00	417.50	84%	82.50
4180 · Interest Earned	0.00	105.11	125.10	968.72		-968.72
4185 · Misc. Income	1,000.00	1112.93	593.25	6,739.72		-5,739.72
4190 · Gain/Loss on Sale of Assets	0.00	0.00	0.00	0.00		0.00
4200 · Production Services	6,000.00	1,472.00	2,400.00	6,655.00	111%	-655.00
4250 · Closed Captioning	59,000.00	1,200.00	922.50	6,847.50	12%	52,152.50
4260 · Equipment Service	5,000.00	0.00	0.00	0.00		5,000.00
Total 4300 · OPERATING REVENUE	288,400.00	24,069.15	24,420.49	203,064.50	70%	85,335.50
TOTAL INCOME	288,400.00	24,069.15	24,420.49	203,064.50	70%	85,335.50
6000 · OPERATING EXPENSES						
6100 · Advertising	12,000.00	577.01	77.21	6,080.33	51%	5,919.67
6300 · Bank Charges	3,000.00	223.42	229.57	2,008.15	67%	991.85
6600 · Dues & Subscriptions	1,500.00	101.89	99.58	976.47	65%	523.53
7100 · Office Supplies	700.00	348.33	49.36	1,045.90	149%	-345.90
7200 · Postage/Freight	500.00	256.64	27.50	493.93	99%	6.07
7205 · Printing	1,000.00	0.00	0.00	32.24	3%	967.76
7401 · Facility Supplies	3,000.00	713.99	385.41	3,823.07	127%	-823.07
7640 · Licenses/Fees/Misc. Taxes	250.00	0.00	0.00	13.00	5%	237.00
7700 · Telephone/Telecommunications/Internet	5,000.00	529.14	786.61	4,177.09	84%	822.91
Total 6000 - Operating Expenses	26,950.00	2,750.42	1,655.24	18,650.18	69%	8,299.82
6800 · Contracted Services						
6900 · Contract Services-Audit Services	14,500.00	0.00	0.00	485.00	3%	14,015.00
7001 · Contract Services-Production Support	3,000.00	0.00	0.00	0.00	0%	2,515.00
7007 · Contract Services-CMAP	34,560.00	2,880.00	2,880.00	23,040.00	67%	11,520.00
7010 · Contract Services-Consulting	9,000.00	31.25	75.00	1,771.25	20%	7,228.75
7110 · Contract Services-Legal	5,900.00	0.00	0.00	766.67	13%	5,133.33
7910 · Contract Services-Equipment Technicians	6,000.00	0.00	0.00	0.00	0%	6,000.00
7920 · Contract Services-Captioning	21,000.00	616.00	437.00	2,904.00	14%	18,096.00
Total 6800 · Contracted Services	93,960.00	3,527.25	3,392.00	28,966.92	31%	64,993.08
7000 · Staff Development & Fundraising						
7405 · Training/conferences	2,000.00	225.47	147.50	1,315.35	66%	684.65
7800 · Travel/Meals	1,538.00	0.00	0.00	748.82	49%	789.18
8600 · Special Events Expense	3,850.00	60.53	41.84	344.95	9%	3,505.05
Total 7000 · Staff Development & Fundraising	7,388.00	286.00	189.34	2,409.12	33%	4,978.88

Community Television of Santa Cruz County
Operating Profit Loss Budget Performance
March
2019

	Annual Budget 2018-19	Last Month	March 2019	March Year to Date	% of Annual Budget	Amount Remaining
7500 · Operating Salaries & Benefits						
7530 · Salaries - Coworking Community Coordinator	34,000.00	2,574.14	2,729.95	26,106.07	77%	7,893.93
7535 · Salaries - Accountant	15,900.00	1,512.39	1,561.89	12,002.42	75%	3,897.58
7542 · Salaries - Media Services Coordinator	50,000.00	4,028.13	4,231.50	38,798.66	78%	11,201.34
7585 · Salaries - Government Technicians	19,690.00	1,879.67	2,826.77	14,405.46	73%	5,284.54
7589 · Salaries - Extra Help Trainers, Technicians	10,000.00	125.26	292.86	1,442.56	14%	8,557.44
7621 · Payroll Taxes	12,000.00	1,291.11	1,256.14	9,366.33	78%	2,633.67
7635 · Workers Comp	2,012.00	0.00	0.00	218.00	11%	1,794.00
7630 · Health/Dental/Vision	12,000.00	998.51	998.51	8,952.79	75%	3,047.21
7632 · Severance/Vacation Payouts	4,500.00	0.00	0.00	0.00	0%	4,500.00
Total 7500 · Operating Salaries & Benefits	160,102.00	12,409.21	13,897.62	111,292.29	70%	48,809.71
TOTAL EXPENSES	288,400.00	18,972.88	19,134.20	161,318.51	56%	127,081.49
NET INCOME/LOSS	0.00	5,096.27	5,286.29	41,745.99	20.6%	

Community Television of Santa Cruz County

BALANCE SHEET

As of March 31, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1010 Checking-SCCCU	0.00
1015 PayPal Checking-SCCCU	0.00
1020 Savings-SCCCU	0.00
1021 Petty Cash Fund	36.08
1070 CD 12 month Cert SCCC	0.00
1075 Checking - Lighthouse Bank	886,419.07
1080 Savings - Lighthouse Bank	100,513.51
1085 CD 12-23 Month - Lighthouse Bank	82,905.55
1099 Cash Box	0.00
Total Bank Accounts	\$1,069,874.21
Accounts Receivable	
1114 Temp A/R	0.00
1115 Accounts Receivable	12,404.80
1116 Grants Receivable	0.00
Total Accounts Receivable	\$12,404.80
Other Current Assets	
1117 A/R - Temp. Restricted	0.00
1125 County Reserve Acct. Restricted	0.00
1200 Prepaid Insurance	
1201 Health	0.00
1202 Accident	0.00
1203 Crime Coverage	0.00
1206 Workers Comp Deposit	0.00
1209 Liability / D&O (SLIP)	0.00
1210 Property Liability (SPIP)	2,354.75
Total 1200 Prepaid Insurance	2,354.75
1260 Prepaid Expenses	24,495.00
1300 PFG Common Stock	4,931.00
1400 Undeposited Funds	0.00
Total Other Current Assets	\$31,780.75
Total Current Assets	\$1,114,059.76
Fixed Assets	
1600 Production Equipment	776,969.81
1700 Accum Depr-Production Equipment	-493,235.15
Total 1600 Production Equipment	283,734.66
1620 Office Furniture/Equipment	99,615.17
1720 Accum Depr-Furniture/Equipment	-83,663.58
Total 1620 Office Furniture/Equipment	15,951.59

	TOTAL
1625 Leasehold Improvement	188,719.87
1725 Accum Depr-Leasehold Improv.	-114,773.76
Total 1625 Leasehold Improvement	73,946.11
1670 Broadcasting Equipment	28,933.89
Total Fixed Assets	\$402,566.25
TOTAL ASSETS	\$1,516,626.01
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 Accounts Payable	-6,632.53
Total Accounts Payable	\$ -6,632.53
Other Current Liabilities	
2110 Sales Tax Payable	0.00
2111 Sales Tax (Manual entry)	0.00
2140 Accrued Vacation	2,283.20
24000 Payroll Liabilities	1,034.98
CA PIT / SDI	130.20
CA SUI / ETT	627.81
Federal Taxes (941/944)	2,372.30
Total 24000 Payroll Liabilities	4,165.29
Board of Equalization Payable	0.00
Direct Deposit Payable	0.00
Total Other Current Liabilities	\$6,448.49
Total Current Liabilities	\$ -184.04
Long-Term Liabilities	
2400 Business Equipment Loan 33736	0.00
Total Long-Term Liabilities	\$0.00
Total Liabilities	\$ -184.04
Equity	
3000 Opening Bal Equity	0.00
3015 Net Assets-Temp Restricted	0.00
3900 Retained Earnings	675,050.68
3905 Retained Earnings - Capital	641,463.55
Reserves	
Net Revenue	200,295.82
Total Equity	\$1,516,810.05
TOTAL LIABILITIES AND EQUITY	\$1,516,626.01

Equity:	
Capital Reserves	\$568,193.32
Capital Reserves - Youth Grant	\$231,830.06
Operating Reserves	\$716,796.67
Total Equity	\$1,516,810.05

**Community Television of Santa Cruz County
Board of Directors Administrative Policy**

Co-working Space Payment Policy

This policy is intended to provide guidance to the Executive Director of Community Television of Santa Cruz County in instances where the monthly member's fee is not paid by the specified date in a member's rental agreement. The following options should be utilized at the discretion of the Executive Director in addressing late payments.

Option A - Terminate occupancy per the member's agreement.

Option B - Based on mutual written agreement between the member and Executive Director, the member's fee shall be prorated at the monthly rate plus a 5% surcharge and payments shall be made not less than weekly for a period not more than a month.

Option C – The Executive Director can extend the payment due date upon consultation with the Chair of the Community Television Board in cases where past payments have been previously made on a timely basis. Late fees shall be applied per the member's agreement.

It is the Board's intent to secure timely payments, but the Board recognizes in extraordinary cases it may be advisable to utilize the options laid out in his policy.

**COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS
JUNE 30, 2015
TOGETHER WITH
INDEPENDENT COMPILATION REPORT**

**COMMUNITY TELEVISION OF SANTA CRUZ
COUNTY
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JUNE 30, 2015**

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Michael J Hadzipanajotis, CPA
CPA & Consulting Services

INDEPENDENT COMPILATION REPORT

To The Board of Directors of
Community Television of
Santa Cruz County

We have compiled the accompanying statements of financial position of Community Television of Santa Cruz County, (a non-profit corporation) as of June 30, 2015 and the related statements of activities for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Michael J Hadzipanajotis, CPA

Belmont, MA
Sep 28, 2018

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents	212,351	239,159
Accounts Receivable (Net)	63,253	17,121
Temporarily Restricted A/R	416,065	416,065
Other Current Assets	34,178	11,245
Total Current Assets	725,848	683,591
Property & Equipment		
Production Equipment	677,786	673,429
Board of Supervisors Equipment	58,957	58,957
Office Furniture/Equipment	95,916	95,338
Leasehold Improvement	183,561	183,561
Future Equipment Replacement	22,096	22,096
Production Vehicle	106,108	106,108
Broadcasting Equipment	28,934	26,312
Accumulated Depreciation	(878,833)	(832,786)
Total Property & Equipment	294,525	333,014
Other Assets	-	-
TOTAL ASSETS	\$ 1,020,373	\$ 1,016,604
LIABILITIES & OWNERS EQUITY		
Accounts Payable	5,344	31,154
Other Current Liabilities	9,893	2,363
Total Current Liabilities	15,236	33,517
Equipment Loan	37,108	47,144
Total Non Current Liabilities	37,108	47,144
Total Liabilities	52,344	80,661
Net Assets		
Unrestricted Assets	551,965	519,879
Restricted Assets	416,064	416,064
Total Net Assets	968,029	935,943
TOTAL LIABILITIES & NET ASSETS	\$ 1,020,373	\$ 1,016,604

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDING JUNE 30, 2015

	Temporarily Restricted	Unrestricted	Total
	Year Ended June 30, 2015		
Revenue			
County Grants	-	252,930	252,930
Production Income	-	24,877	24,877
Gain (Loss) on Sale of Assets	-	-	-
Other Revenue	-	74,705	74,705
Total Revenue	-	352,512	352,512
Cost of Goods Sold	-	-	-
Total Gross Margin	-	352,512	352,512
Expense			
Advertising/ Promotional	-	2,076	2,076
Payroll & Benefits	-	161,804	161,804
Equipment Expense	-	(72,032)	(72,032)
Telephone Expenses	-	2,178	2,178
Occupancy Expense	-	16,910	16,910
Contract Expenses	-	111,373	111,373
Bank & Service Charges	-	715	715
Misc Expense	-	96,739	96,739
Total Expense	-	319,763	319,763
Net Income Before Taxes	-	32,749	32,749

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD ENDING JUNE 30, 2015

	Year Ending June 30, 2015			
	Program Services	Fundraising	Management	Total
Advertising/ Promotional	-	2,076	-	2,076
Payroll & Benefits	161,804	-	-	161,804
Equipment Expense	(72,032)	-	-	(72,032)
Telephone Expenses	-	-	2,178	2,178
Occupancy Expense	-	-	16,910	16,910
Contract Expenses	111,373	-	-	111,373
Bank & Service Charges	-	-	715	715
Misc Expense	96,739	-	-	96,739
Total Expenses	297,884	2,076	19,803	319,763

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2015

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Net Revenue	32,749	(19,494)
Adjustments Needed To Reconcile To Net Cash Provided By Operations:		
Accounts Receivable	(46,132)	(485)
Accounts Receivable (Restricted)	-	46,450
Accounts Payable	(25,811)	26,221
Other Current Assets/ Liabilities	(15,403)	(17,195)
Net Cash Provided By Operations	<u>(54,597)</u>	<u>35,497</u>
INVESTING ACTIVITIES		
Depreciation	46,047	64,257
Fixed Assets Purchased/Sold	(7,558)	(55,735)
Net Cash Used By Investing Activities	<u>38,489</u>	<u>8,521</u>
FINANCING ACTIVITIES		
Equipment Loan	(10,037)	11,768
Other Financing/ Equity Adjustments	(663)	(79,545)
Net Cash Used By Financing Activities	<u>(10,700)</u>	<u>(67,777)</u>
Net Cash Increase For Period	<u>(26,808)</u>	<u>(23,759)</u>
Cash Beginning Of Period	<u>239,159</u>	<u>262,918</u>
Cash End Of Period	<u>212,351</u>	<u>239,159</u>

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

**COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS**

(1) **Nature of Activities, Nonprofit Status and Significant Accounting Policies**

Nature of Activities

Community Television of Santa Cruz County (CTV) is a 501c3 non-profit organization. Its mission is to foster community dialogue and individual self-expression through television, the internet, and other electronic media. Their co-working space, media center, cable channel, and online stream help Santa Cruz County residents share their passions, knowledge, skills, information, and imagination with the world.

Nonprofit Status

As mentioned above, Community Television of Santa Cruz County is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c) (3) of the Internal Revenue Code. Donors may deduct contributions made to Community Television of Santa Cruz County within the requirements of the Internal Revenue Code. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize the tax-exempt status. Management of Community Television of Santa Cruz County is not aware of any events that could jeopardize the tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements. Community Television of Santa Cruz County's federal exempt organization tax returns for the years ended June 30, 2013, 2014 and 2015 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

The following are the more significant accounting policies used in the preparation of the accompanying financial statements:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board. Community Television of Santa Cruz County reports 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.

**COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS**

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies (cont)

Cash and Cash Equivalents

For purposes of the statements of cash flows, Community Television of Santa Cruz County considers all highly liquid investments available for current use with an initial maturity date of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in accordance with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts Receivable represents fees for production services and PEG fees from the County of Santa Cruz.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Contributed Services and Facilities

Community Television of Santa Cruz County records various types of contributed support, including services and facilities. Contributions of tangible and intangible assets are recognized at fair value when received.

**COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS**

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies (cont)

Subsequent Events

Community Television of Santa Cruz County has evaluated subsequent events through Sep 28, 2018 which is the date these financial statements were available to be issued.

Income Taxes

Community Television of Santa Cruz County is a nonprofit organization and is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code and a similar section of the state code.

(2) Concentrations of Credit and Market Risk

Community Television of Santa Cruz County operates in the greater Santa Cruz, CA area and is subject to fluctuations in the local economy, which could impact contributions, specifically grants and donations.

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2015, the organization did not observe any uninsured balances at these institutions.

(3) Property and Equipment

Property & Equipment are stated at cost less accumulated depreciation. Depreciation is computed using straight-line methods of cost recovery over the estimated useful lives of the assets. Expenditures for major renewals and betterments, which extend the useful lives of property and equipment, are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
JUNE 30, 2016
TOGETHER WITH
INDEPENDENT COMPILATION REPORT

**COMMUNITY TELEVISION OF SANTA CRUZ
COUNTY
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JUNE 30, 2016**

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Michael J Hadzipanajotis, CPA
CPA & Consulting Services

INDEPENDENT COMPILATION REPORT

To The Board of Directors of
Community Television of
Santa Cruz County

We have compiled the accompanying statements of financial position of Community Television of Santa Cruz County, (a non-profit corporation) as of June 30, 2016 and the related statements of activities for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Michael J Hadzipanajotis, CPA

Belmont, MA
Sep 28, 2018

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents	465,757	212,351
Accounts Receivable (Net)	12,640	63,253
Temporarily Restricted A/R	416,065	416,065
Other Current Assets	35,867	34,178
Total Current Assets	930,329	725,848
Property & Equipment		
Production Equipment	677,786	677,786
Board of Supervisors Equipment	58,957	58,957
Office Furniture/Equipment	95,916	95,916
Leasehold Improvement	183,561	183,561
Future Equipment Replacement	22,096	22,096
Production Vehicle	106,108	106,108
Broadcasting Equipment	28,934	28,934
Accumulated Depreciation	(878,833)	(878,833)
Total Property & Equipment	294,525	294,525
Other Assets	-	-
TOTAL ASSETS	\$ 1,224,854	\$ 1,020,373
LIABILITIES & OWNERS EQUITY		
Accounts Payable	30,263	5,344
Other Current Liabilities	11,830	9,893
Total Current Liabilities	42,093	15,236
Equipment Loan	27,794	37,108
Total Non Current Liabilities	27,794	37,108
Total Liabilities	69,887	52,344
Net Assets		
Unrestricted Assets	562,598	551,965
Restricted Assets	592,368	416,064
Total Net Assets	1,154,966	968,029
TOTAL LIABILITIES & NET ASSETS	\$ 1,224,854	\$ 1,020,373

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDING JUNE 30, 2016

	Temporarily Restricted	Unrestricted	Total
	Year Ended June 30, 2016		
Revenue			
County Grants	669,535	200,371	869,906
Production Income	-	65,519	65,519
Gain (Loss) on Sale of Assets	-	16,253	16,253
Other Revenue	-	69,792	69,792
Total Revenue	669,535	351,935	1,021,470
Cost of Goods Sold	-	-	-
Total Gross Margin	669,535	351,935	1,021,470
Expense			
Advertising/ Promotional	-	2,105	2,105
Payroll & Benefits	-	250,404	250,404
Equipment Expense	-	175,615	175,615
Telephone Expenses	-	4,214	4,214
Occupancy Expense	-	315,573	315,573
Contract Expenses	-	41,027	41,027
Bank & Service Charges	-	795	795
Misc Expense	-	44,799	44,799
Total Expense	-	834,531	834,531
Net Income Before Taxes	669,535	(482,597)	186,939

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD ENDING JUNE 30, 2016

	Year Ending June 30, 2016			
	Program Services	Fundraising	Management	Total
Advertising/ Promotional	-	2,105	-	2,105
Payroll & Benefits	250,404	-	-	250,404
Equipment Expense	175,615	-	-	175,615
Telephone Expenses	-	-	4,214	4,214
Occupancy Expense	-	-	315,573	315,573
Contract Expenses	41,027	-	-	41,027
Bank & Service Charges	-	-	795	795
Misc Expense	44,799	-	-	44,799
Total Expenses	511,845	2,105	320,582	834,531

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Net Revenue	186,939	32,749
Adjustments Needed To Reconcile To Net Cash Provided By Operations:		
Accounts Receivable	50,613	(46,132)
Accounts Receivable (Restricted)	-	-
Accounts Payable	24,919	(25,811)
Other Current Assets/ Liabilities	249	(15,403)
Net Cash Provided By Operations	262,720	(54,597)
INVESTING ACTIVITIES		
Depreciation	-	46,047
Fixed Assets Purchased/Sold	-	(7,558)
Net Cash Used By Investing Activities	-	38,489
FINANCING ACTIVITIES		
Equipment Loan	(9,314)	(10,037)
Other Financing/ Equity Adjustments	-	(663)
Net Cash Used By Financing Activities	(9,314)	(10,700)
Net Cash Increase For Period	253,407	(26,808)
Cash Beginning Of Period	212,351	239,159
Cash End Of Period	465,758	212,351

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

**COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS**

(1) **Nature of Activities, Nonprofit Status and Significant Accounting Policies**

Nature of Activities

Community Television of Santa Cruz County (CTV) is a 501c3 non-profit organization. Its mission is to foster community dialogue and individual self-expression through television, the internet, and other electronic media. Their co-working space, media center, cable channel, and online stream help Santa Cruz County residents share their passions, knowledge, skills, information, and imagination with the world.

Nonprofit Status

As mentioned above, Community Television of Santa Cruz County is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c) (3) of the Internal Revenue Code. Donors may deduct contributions made to Community Television of Santa Cruz County within the requirements of the Internal Revenue Code. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize the tax-exempt status. Management of Community Television of Santa Cruz County is not aware of any events that could jeopardize the tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements. Community Television of Santa Cruz County's federal exempt organization tax returns for the years ended June 30, 2014, 2015 and 2016 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

The following are the more significant accounting policies used in the preparation of the accompanying financial statements:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board. Community Television of Santa Cruz County reports 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.

**COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS**

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies (cont)

Cash and Cash Equivalents

For purposes of the statements of cash flows, Community Television of Santa Cruz County considers all highly liquid investments available for current use with an initial maturity date of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in accordance with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts Receivable represents fees for production services and PEG fees from the County of Santa Cruz.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Contributed Services and Facilities

Community Television of Santa Cruz County records various types of contributed support, including services and facilities. Contributions of tangible and intangible assets are recognized at fair value when received.

**COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS**

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies (cont)

Subsequent Events

Community Television of Santa Cruz County has evaluated subsequent events through Sep 28, 2018 which is the date these financial statements were available to be issued.

Income Taxes

Community Television of Santa Cruz County is a nonprofit organization and is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code and a similar section of the state code.

(2) Concentrations of Credit and Market Risk

Community Television of Santa Cruz County operates in the greater Santa Cruz, CA area and is subject to fluctuations in the local economy, which could impact contributions, specifically grants and donations.

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2016, the organization did not observe any uninsured balances at these institutions.

(3) Property and Equipment

Property & Equipment are stated at cost less accumulated depreciation. Depreciation is computed using straight-line methods of cost recovery over the estimated useful lives of the assets. Expenditures for major renewals and betterments, which extend the useful lives of property and equipment, are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
JUNE 30, 2017
TOGETHER WITH
INDEPENDENT COMPILATION REPORT

**COMMUNITY TELEVISION OF SANTA CRUZ
COUNTY
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JUNE 30, 2017**

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INDEPENDENT COMPILATION REPORT

To The Board of Directors of
Community Television of
Santa Cruz County

We have compiled the accompanying statements of financial position of Community Television of Santa Cruz County, (a non-profit corporation) as of June 30, 2017 and the related statements of activities for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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.

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Michael J Hadzipanajotis, CPA

Belmont, MA
Sep 28, 2018

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents	550,549	465,757
Accounts Receivable (Net)	137,459	12,640
Temporarily Restricted A/R	-	416,065
Other Current Assets	36,801	35,867
Total Current Assets	724,809	930,329
Property & Equipment		
Production Equipment	776,970	677,786
Board of Supervisors Equipment	-	58,957
Office Furniture/Equipment	99,615	95,916
Leasehold Improvement	188,720	183,561
Future Equipment Replacement	-	22,096
Production Vehicle	-	106,108
Broadcasting Equipment	28,934	28,934
Accumulated Depreciation	(691,672)	(878,833)
Total Property & Equipment	402,566	294,525
Other Assets	-	-
TOTAL ASSETS	\$ 1,127,375	\$ 1,224,854
LIABILITIES & OWNERS EQUITY		
Accounts Payable	2,280	30,263
Other Current Liabilities	4,356	11,830
Total Current Liabilities	6,636	42,093
Equipment Loan	18,079	27,794
Total Non Current Liabilities	18,079	27,794
Total Liabilities	24,715	69,887
Net Assets		
Unrestricted Assets	659,440	562,598
Restricted Assets	442,220	592,368
Total Net Assets	1,101,660	1,154,966
TOTAL LIABILITIES & NET ASSETS	\$ 1,126,375	\$ 1,224,854

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDING JUNE 30, 2017

	Temporarily Restricted	Unrestricted	Total
	Year Ended June 30, 2017		
Revenue			
County Grants	600,000	-	600,000
Production Income	-	11,856	11,856
Gain (Loss) on Sale of Assets	-	2,253	2,253
Other Revenue	-	185,068	185,068
Total Revenue	600,000	199,176	799,177
Cost of Goods Sold	-	-	-
Total Gross Margin	600,000	199,176	799,177
Expense			
Advertising/ Promotional	-	3,999	3,999
Payroll & Benefits	-	145,322	145,322
Equipment Expense	-	26,747	26,747
Telephone Expenses	-	8,921	8,921
Occupancy Expense	-	188,128	188,128
Contract Expenses	-	52,788	52,788
Bank & Service Charges	-	2,086	2,086
Misc Expense	-	7,427	7,427
Total Expense	-	435,418	435,418
Net Income Before Taxes	600,000	(236,242)	363,759

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD ENDING JUNE 30, 2017

	Year Ending June 30, 2017			
	Program Services	Fundraising	Management	Total
Advertising/ Promotional	-	3,999	-	3,999
Payroll & Benefits	145,322	-	-	145,322
Equipment Expense	26,747	-	-	26,747
Telephone Expenses	8,921	-	-	8,921
Occupancy Expense	-	-	188,128	188,128
Contract Expenses	52,788	-	-	52,788
Bank & Service Charges	-	-	2,086	2,086
Misc Expense	7,427	-	-	7,427
Total Expenses	241,205	3,999	190,214	435,418

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

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Net Revenue	363,759	186,939
Adjustments Needed To Reconcile To Net Cash Provided By Operations:		
Accounts Receivable	(124,819)	50,613
Accounts Receivable (Restricted)	416,065	-
Accounts Payable	(27,983)	24,919
Other Current Assets/ Liabilities	(8,409)	249
Net Cash Provided By Operations	618,614	262,720
INVESTING ACTIVITIES		
Depreciation	(187,161)	-
Fixed Assets Purchased/Sold	79,119	-
Net Cash Used By Investing Activities	(108,042)	-
FINANCING ACTIVITIES		
Equipment Loan	(9,716)	(9,314)
Other Financing/ Equity Adjustments	(416,064)	-
Net Cash Used By Financing Activities	(425,780)	(9,314)
Net Cash Increase For Period	84,793	253,407
Cash Beginning Of Period	465,757	212,351
Cash End Of Period	550,550	465,758

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**COMMUNITY TELEVISION OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS**

(1) **Nature of Activities, Nonprofit Status and Significant Accounting Policies**

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NOTES TO FINANCIAL STATEMENTS**

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