

**FREE PRESS AND FREE PRESS ACTION FUND**

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2017

**FREE PRESS AND FREE PRESS ACTION FUND**

COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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## REPORT OF INDEPENDENT AUDITORS

Boards of Directors  
Free Press and Free Press Action Fund

We have audited the accompanying combined financial statements of Free Press and Free Press Action Fund (the Organizations), which comprise the combined statements of financial position as of December 31, 2017 and 2016, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

### **Management’s Responsibility for the Combined Financial Statements**

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Free Press and Free Press Action Fund as of December 31, 2017 and 2016, and the combined changes in their net assets and their combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information on pages 13-16 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities and is not a required part of the basic combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Calibre CPA Group, PLLC*

Bethesda, MD  
May 9, 2018

**FREE PRESS AND FREE ACTION FUND**

**COMBINED STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2017 AND 2016

	2017	2016
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,355,332	\$ 867,882
Investments	1,710,010	1,039,838
Contributions receivable	3,575,260	2,625,000
Accounts receivable	59,913	5,284
Prepaid expenses	55,513	121,614
Property and equipment, net	-	13,676
Security deposit	20,290	20,290
	\$ 6,776,318	\$ 4,693,584
Total assets		
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 248,319	\$ 355,033
Accrued vacation	120,409	81,693
	368,728	436,726
Total liabilities		
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	1,008,340	756,593
Board designated		
Operating reserve	1,000,000	1,000,000
Total unrestricted	2,008,340	1,756,593
Temporarily restricted	4,399,250	2,500,265
	6,407,590	4,256,858
Total net assets		
	\$ 6,776,318	\$ 4,693,584
Total liabilities and net assets		

See accompanying notes to combined financial statements.

**FREE PRESS AND FREE ACTION FUND**  
**COMBINED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Contributions						
Membership	\$ 577,927	\$ -	\$ 577,927	\$ 170,099	\$ -	\$ 170,099
News Voices	-	75,000	75,000	-	1,430,000	1,430,000
Internet	-	160,000	160,000	-	-	-
Other	2,337,511	3,451,250	5,788,761	2,050,786	1,437,500	3,488,286
Collaborative projects	-	-	-	56	-	56
Investment and other income	23,475	-	23,475	20,919	-	20,919
Net assets released from restriction	<u>1,787,265</u>	<u>(1,787,265)</u>	<u>-</u>	<u>1,155,056</u>	<u>(1,155,056)</u>	<u>-</u>
Total support and revenue	<u>4,726,178</u>	<u>1,898,985</u>	<u>6,625,163</u>	<u>3,396,916</u>	<u>1,712,444</u>	<u>5,109,360</u>
<b>EXPENSES</b>						
Program services	3,745,838	-	3,745,838	2,535,226	-	2,535,226
Management and general	184,247	-	184,247	234,905	-	234,905
Fund raising	544,346	-	544,346	441,206	-	441,206
Total expenses	<u>4,474,431</u>	<u>-</u>	<u>4,474,431</u>	<u>3,211,337</u>	<u>-</u>	<u>3,211,337</u>
CHANGE IN NET ASSETS	251,747	1,898,985	2,150,732	185,579	1,712,444	1,898,023
<b>NET ASSETS</b>						
Beginning of year	<u>1,756,593</u>	<u>2,500,265</u>	<u>4,256,858</u>	<u>1,571,014</u>	<u>787,821</u>	<u>2,358,835</u>
End of year	<u>\$ 2,008,340</u>	<u>\$ 4,399,250</u>	<u>\$ 6,407,590</u>	<u>\$ 1,756,593</u>	<u>\$ 2,500,265</u>	<u>\$ 4,256,858</u>

See accompanying notes to combined financial statements.

**FREE PRESS AND FREE ACTION FUND**

**COMBINED STATEMENTS OF FUNCTIONAL EXPENSES**

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			
	Program Services	Management and General	Fund Raising	Total
COMBINED TOTALS				
Communications	\$ 117,391	\$ 2,015	\$ 20,163	\$ 139,569
Equipment and furnishings	22,176	739	3,545	26,460
Occupancy and operating	362,431	17,923	91,241	471,595
Professional services	7,089	35,327	845	43,261
Special projects	46,376	51	246	46,673
Staffing costs	3,057,699	127,490	425,237	3,610,426
Travel costs	<u>132,676</u>	<u>702</u>	<u>3,069</u>	<u>136,447</u>
	<u>\$ 3,745,838</u>	<u>\$ 184,247</u>	<u>\$ 544,346</u>	<u>\$ 4,474,431</u>
	2016			
	Program Services	Management and General	Fund Raising	Total
COMBINED TOTALS				
Communications	\$ 57,481	\$ 2,164	\$ 10,933	\$ 70,578
Equipment and furnishings	7,022	462	1,222	8,706
Occupancy and operating	349,662	30,826	85,280	465,768
Professional services	4,561	28,847	815	34,223
Special projects	29,371	1,098	256	30,725
Staffing costs	1,996,854	163,238	340,157	2,500,249
Travel costs	<u>90,275</u>	<u>8,270</u>	<u>2,543</u>	<u>101,088</u>
	<u>\$ 2,535,226</u>	<u>\$ 234,905</u>	<u>\$ 441,206</u>	<u>\$ 3,211,337</u>

See accompanying notes to combined financial statements.

**FREE PRESS AND FREE ACTION FUND**

**COMBINED STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,150,732	\$ 1,898,023
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	13,676	22,915
(Increase) decrease in		
Contributions and accounts receivable	(1,004,889)	(2,293,603)
Prepaid expenses	66,101	(70,636)
Increase (decrease) in		
Accounts payable and accrued expenses	(106,714)	255,452
Accrued vacation	38,716	19,560
Net cash provided by (used for) operating activities	<u>1,157,622</u>	<u>(168,289)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposits	(672,022)	(19,416)
Proceeds from sale/maturity of investments	1,850	143,109
Net cash provided by (used for) investing activities	<u>(670,172)</u>	<u>123,693</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	487,450	(44,596)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>867,882</u>	<u>912,478</u>
End of year	<u>\$ 1,355,332</u>	<u>\$ 867,882</u>

See accompanying notes to combined financial statements.



**FREE PRESS AND FREE PRESS ACTION FUND**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 1. ORGANIZATIONS AND NATURE OF OPERATION**

**Free Press**

Free Press, founded in 2003, is a national, non-partisan, not-for-profit organization working to increase informed public participation in crucial media policy debates and to generate policies that will produce a more competitive and public-orientated system with a strong nonprofit and noncommercial sector.

Free Press was created for the charitable and educational purposes of conducting research on how the current media system influences the development of public policy and to educate the public and policy-makers on how a more diverse and public service-orientated media system can strengthen American democracy.

**Free Press Action Fund**

Free Press Action Fund, founded in 2003, is a national, non-partisan, not-for-profit, social welfare organization working to educate its members and the general public on how a diverse and public service-oriented media system can strengthen American democracy. Free Press Action Fund advocates and lobbies for media policy that will promote diverse and independent media ownership, strong public media, and universal access to communications.

The accompanying combined financial statements include the accounts of Free Press and Free Press Action Fund (the Organizations). All intercompany transactions have been eliminated in the combined financial statements.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** - Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Unrestricted Net Assets** - Net assets not subject to donor-imposed stipulations. The Board has designated net assets for an Operating Reserve. As of December 31, 2017, the balance in the Operating Reserve was \$1,000,000.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Temporarily Restricted Net Assets** - Net assets subject to donor-imposed restrictions that may/will be met by the Organizations and/or the passage of time.

**Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes. The Organizations did not have any permanently restricted net assets at December 31, 2017 and 2016.

Unrestricted contributions and all revenues from exchange transactions are reported as increases in unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

**Tax Exempt Status** - Free Press is exempt from Federal income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code, and is similarly exempt from state income taxes under Massachusetts law. Free Press Action Fund is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code and is similarly exempt from state income taxes under Massachusetts law; therefore, no provision has been made for Federal or State income taxes in the accompanying combined financial statements.

The Organizations account for income taxes in accordance with the Accounting Standards Codification (ASC) Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organizations performed an evaluation of uncertain tax positions for the years ended December 31, 2017 and 2016, and determined that there were no matters that would require recognition in the combined financial statements or that may have an effect on their tax-exempt status. As of December 31, 2017, the statute of limitations for tax years 2014 through 2016 remains open with the U.S. federal jurisdiction and the state of Massachusetts. It is the Organizations' policy to recognize interest and/or penalties related to uncertain tax positions, if any, in unrelated business income tax expense.

**Cash Equivalents** - For reporting purposes, the Organizations consider all investments with original maturities of three months or less to be cash equivalents. In addition, cash equivalents include amounts on deposit with a financial institution that limits withdrawals to once per month.

**Investments** - All investments are reported at fair value.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Promises to Give** - Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Accounts Receivable** - Accounts receivable are carried at their net realizable value. Management considers all current accounts receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made.

**Property and Equipment** - The Organizations capitalize all expenditures for property and equipment in excess of \$10,000 and having a useful life of greater than three years. Purchased property and equipment are capitalized at cost. Donated property and equipment are capitalized at the estimated fair value at the date of donation. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

**Donated Securities** - From time to time, the Organizations receive, as donations, financial securities. Revenue is recognized on such donations based on the market value at the time the donation is received, and is reported as a component of contributions.

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

**Use of Estimates** - The preparation of this combined financial statements in conformity with U.S. generally accepted principles 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 combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 3. PROMISES TO GIVE

As of December 31, 2017 and 2016, contributions receivable are expected to be collected as follows.

	<u>2017</u>	<u>2016</u>
Due in less than one year	\$ 1,824,010	\$ 2,625,000
Due in 2 - 5 years	<u>1,800,000</u>	<u>-</u>
	3,624,010	2,625,000
Less discount to net present value	<u>(48,750)</u>	<u>-</u>
	<u>\$ 3,575,260</u>	<u>\$ 2,625,000</u>

#### NOTE 4. INVESTMENTS

All of the Organizations' investments consist of amounts held in bank certificates of deposit. The investments are reported at estimated fair value based on the principal balances invested, since due to their relatively short maturities their interest rates approximate current market rates. Investment income reported in the combined statements of activities for the years ended December 31, 2017 and 2016 consists of interest of \$23,475 and \$20,419, respectively.

#### NOTE 5. FAIR VALUE MEASUREMENTS

The Organizations report fair value measurements of financial assets and liabilities using a hierarchy for observable independent market inputs and unobservable market assumptions. Considerable judgments are required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The three levels of the fair value hierarchy and the inputs used to determine fair values as of December 31, 2017 and 2016 are described below:

Level 1 – Quoted prices in active markets for identical investments.

Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant unobservable inputs (including the Organizations' own assumptions in determining the fair value of investments).

	2017			
	Total Investments	Quoted Price Market for Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	<u>\$ 1,710,010</u>	<u>\$ -</u>	<u>\$ 1,710,010</u>	<u>\$ -</u>
	<u>\$ 1,710,010</u>	<u>\$ -</u>	<u>\$ 1,710,010</u>	<u>\$ -</u>
	2016			
	Total Investments	Quoted Price Market for Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	<u>\$ 1,039,838</u>	<u>\$ -</u>	<u>\$ 1,039,838</u>	<u>\$ -</u>
	<u>\$ 1,039,838</u>	<u>\$ -</u>	<u>\$ 1,039,838</u>	<u>\$ -</u>

**NOTE 6. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of December 31,:

	<u>2017</u>	<u>2016</u>
Office furniture and equipment	\$ 30,746	\$ 30,746
Leasehold improvements	<u>229,146</u>	<u>229,146</u>
	259,892	259,892
Less: accumulated depreciation	<u>(259,892)</u>	<u>(246,216)</u>
	<u>\$ -</u>	<u>\$ 13,676</u>

**NOTE 7. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of December 31, 2017 and 2016 were subject to restriction as follows:

	<u>2017</u>	<u>2016</u>
Time-restricted	\$ 3,576,250	\$ 1,425,000
Internet	9,000	-
News Voices Program	389,000	775,265
C. Edwin Baker Fellowship Program	300,000	300,000
Stop Sinclair Broadcast Group - Tribune Media Merger	<u>125,000</u>	<u>-</u>
	<u>\$ 4,399,250</u>	<u>\$ 2,500,265</u>

Net assets released from restriction during 2017 of \$1,787,265 resulted from the expiration of time restrictions in the amount of \$725,000 and the satisfaction of purpose restrictions in the amount of \$1,062,265. Net assets released from restriction during 2016 of \$1,155,056 resulted from the expiration of time restrictions in the amount of \$330,000 and the satisfaction of purpose restrictions in the amount of \$825,056.

**NOTE 8. RETIREMENT BENEFITS**

The Organizations contribute to a Simplified Employee Pension (SEP) Individual Retirement Account (IRA) for employees who are eligible for coverage under the plan. In order to be eligible, an employee must have earned a minimum of \$450 during the preceding twelve months; must be a minimum of 18 years old; and must be a U.S. citizen or certain nonresident alien. The retirement plan contribution can vary each year from 0% to 25% of compensation (said limits are subject to change by federal legislation). Pension expense for the years ended December 31, 2017 and 2016 was \$90,945 and \$75,488, respectively.

**NOTE 9. LEASES**

Free Press conducts its operations from facilities located in Florence, Massachusetts and Washington, D.C. The Florence lease expires on January 31, 2020. Subsequent to year-end the Washington, D.C. lease, which commenced March 1, 2012 with an original expiration of February 28, 2019, was extended through July 31, 2026. In addition to the base minimum rent, Free Press is responsible for its pro-rata share of any increases in real estate taxes. Future minimum lease payments by fiscal year are due as follows:

2018	\$ 277,940
2019	215,302
2020	167,985
2021	168,431
2022	175,168
Thereafter	<u>686,643</u>
	<u>\$ 1,691,469</u>

Rent expense for the years ended December 31, 2017 and 2016 was \$174,762 and \$181,414, respectively.

**NOTE 10. CONCENTRATIONS**

The Organizations maintain their cash, cash equivalents and certificates of deposit with two financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000 per depositor. The Organizations had cash balances on deposit with the financial institutions at December 31, 2017 that exceeded the balances insured by the FDIC by approximately \$2,354,000. These amounts are fully insured by the Depositors Insurance Fund (DIF), which insures all deposits above FDIC limits at Massachusetts chartered savings banks.

Concentrations in revenue with respect to contributions are generally limited due to the large number of contributors comprising the Organizations' contributor bases and their dispersion across different industries and geographic areas. However, during 2017, approximately 80% of total contributions were received from 11 donors, and amounts due from four donors comprised 98% of total contributions receivable as of December 31, 2017. During 2016 approximately 88% of total contributions were received from eight donors, and amounts due from two donors comprised 98% of total contributions receivable as of December 31, 2016.

**NOTE 11. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 9, 2018 which is the date the combined financial statements were available to be issued. This review and evaluation of subsequent events revealed no new material events or transactions which would require an additional adjustment to or disclosure in the accompanying combined financial statements.

**SUPPLEMENTARY INFORMATION**

**FREE PRESS AND FREE ACTION FUND**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016)**

	Free Press	Free Press Action Fund	Total	Eliminations	2017 Total	2016 Total
<b>ASSETS</b>						
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,210,483	\$ 144,849	\$ 1,355,332	\$ -	\$ 1,355,332	\$ 867,882
Investments	1,387,506	322,504	1,710,010	-	1,710,010	1,039,838
Contributions receivable	3,566,260	9,000	3,575,260	-	3,575,260	2,625,000
Due from affiliate	310,151	-	310,151	(310,151)	-	-
Accounts receivable	-	59,913	59,913	-	59,913	5,284
Prepaid expenses	54,093	1,420	55,513	-	55,513	121,614
Affiliate advance	-	95,000	95,000	(95,000)	-	-
Property and equipment, net	-	-	-	-	-	13,676
Security deposit	20,290	-	20,290	-	20,290	20,290
Total assets	\$ 6,548,783	\$ 632,686	\$ 7,181,469	\$ (405,151)	\$ 6,776,318	\$ 4,693,584
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 213,375	\$ 345,095	\$ 558,470	\$ (310,151)	\$ 248,319	\$ 355,033
Accrued vacation	120,409	-	120,409	-	120,409	81,693
Advance from affiliate	95,000	-	95,000	(95,000)	-	-
Total liabilities	428,784	345,095	773,879	(405,151)	368,728	436,726
<b>NET ASSETS</b>						
Unrestricted						
Undesignated	829,749	178,591	1,008,340	-	1,008,340	756,593
Board designated						
Operating reserve	900,000	100,000	1,000,000	-	1,000,000	1,000,000
Total unrestricted	1,729,749	278,591	2,008,340	-	2,008,340	1,756,593
Temporarily restricted	4,390,250	9,000	4,399,250	-	4,399,250	2,500,265
Total net assets	6,119,999	287,591	6,407,590	-	6,407,590	4,256,858
Total liabilities and net assets	\$ 6,548,783	\$ 632,686	\$ 7,181,469	\$ (405,151)	\$ 6,776,318	\$ 4,693,584



**FREE PRESS AND FREE ACTION FUND**  
**COMBINING STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2016)

	2017						2016			
	Unrestricted			Temporarily Restricted			2017 Total	Unrestricted	Temporarily Restricted	2016 Total
	Free Press	Free Press Action Fund	Total	Free Press	Free Press Action Fund	Total				
<b>SUPPORT AND REVENUE</b>										
Contributions										
Membership	\$ -	\$ 577,927	\$ 577,927	\$ -	\$ -	\$ -	\$ 577,927	\$ 170,099	\$ -	\$ 170,099
News Voices	-	-	-	-	75,000	75,000	75,000	-	1,430,000	1,430,000
Internet	-	-	-	-	160,000	160,000	160,000	-	-	-
Other	2,200,457	137,054	2,337,511	3,451,250	-	3,451,250	5,788,761	2,050,786	1,437,500	3,488,286
Collaborative projects	-	-	-	-	-	-	-	56	-	56
Investment income	20,640	2,835	23,475	-	-	-	23,475	20,919	-	20,919
Net assets released from restriction	1,282,245	505,020	1,787,265	(1,282,245)	(505,020)	(1,787,265)	-	1,155,056	(1,155,056)	-
Total support and revenue	<u>3,503,342</u>	<u>1,222,836</u>	<u>4,726,178</u>	<u>2,169,005</u>	<u>(270,020)</u>	<u>1,898,985</u>	<u>6,625,163</u>	<u>3,396,916</u>	<u>1,712,444</u>	<u>5,109,360</u>
<b>EXPENSES</b>										
Program services	2,744,721	1,001,117	3,745,838	-	-	-	3,745,838	2,535,226	-	2,535,226
Management and general	153,077	31,170	184,247	-	-	-	184,247	234,905	-	234,905
Fund raising	380,539	163,807	544,346	-	-	-	544,346	441,206	-	441,206
Total expenses	<u>3,278,337</u>	<u>1,196,094</u>	<u>4,474,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,474,431</u>	<u>3,211,337</u>	<u>-</u>	<u>3,211,337</u>
CHANGE IN NET ASSETS	225,005	26,742	251,747	2,169,005	(270,020)	1,898,985	2,150,732	185,579	1,712,444	1,898,023
<b>NET ASSETS</b>										
Beginning of year	<u>1,504,744</u>	<u>251,849</u>	<u>1,756,593</u>	<u>2,221,245</u>	<u>279,020</u>	<u>2,500,265</u>	<u>4,256,858</u>	<u>1,571,014</u>	<u>787,821</u>	<u>2,358,835</u>
End of year	<u>\$ 1,729,749</u>	<u>\$ 278,591</u>	<u>\$ 2,008,340</u>	<u>\$ 4,390,250</u>	<u>\$ 9,000</u>	<u>\$ 4,399,250</u>	<u>\$ 6,407,590</u>	<u>\$ 1,756,593</u>	<u>\$ 2,500,265</u>	<u>\$ 4,256,858</u>

NOTE: 2016 unrestricted contributions and program services expenses in the amount of \$200,000 each have been eliminated in combination.

**FREE PRESS AND FREE ACTION FUND**  
**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2016)

	Program Services	Management and General	Fund Raising	2017 Total	2016 Total
<b>FREE PRESS</b>					
Communications	\$ 47,325	\$ 1,511	\$ 13,767	\$ 62,603	\$ 53,421
Equipment and furnishings	17,168	657	2,602	20,427	6,827
Occupancy and operating	280,399	14,427	49,344	344,170	360,050
Professional services	5,526	18,076	616	24,218	22,798
Special projects	32,599	46	175	32,820	230,251
Staffing costs	2,252,327	117,822	311,860	2,682,009	1,991,897
Travel costs	109,377	538	2,175	112,090	92,881
	<u>\$ 2,744,721</u>	<u>\$ 153,077</u>	<u>\$ 380,539</u>	<u>\$ 3,278,337</u>	<u>\$ 2,758,125</u>
<b>FREE PRESS ACTION FUND</b>					
Communications	\$ 70,066	\$ 504	\$ 6,396	\$ 76,966	\$ 17,157
Equipment and furnishings	5,008	82	943	6,033	1,879
Occupancy and operating	82,032	3,496	41,897	127,425	105,718
Professional services	1,563	17,251	229	19,043	11,425
Special projects	13,777	5	71	13,853	474
Staffing costs	805,372	9,668	113,377	928,417	508,352
Travel costs	23,299	164	894	24,357	8,207
	<u>\$ 1,001,117</u>	<u>\$ 31,170</u>	<u>\$ 163,807</u>	<u>\$ 1,196,094</u>	<u>\$ 653,212</u>
<b>COMBINED TOTALS</b>					
Communications	\$ 117,391	\$ 2,015	\$ 20,163	\$ 139,569	\$ 70,578
Equipment and furnishings	22,176	739	3,545	26,460	8,706
Occupancy and operating	362,431	17,923	91,241	471,595	465,768
Professional services	7,089	35,327	845	43,261	34,223
Special projects	46,376	51	246	46,673	30,725
Staffing costs	3,057,699	127,490	425,237	3,610,426	2,500,249
Travel costs	132,676	702	3,069	136,447	101,088
	<u>\$ 3,745,838</u>	<u>\$ 184,247</u>	<u>\$ 544,346</u>	<u>\$ 4,474,431</u>	<u>\$ 3,211,337</u>

NOTE: 2016 special projects expense has been reduced by \$200,000 in combination.

**FREE PRESS AND FREE ACTION FUND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2016)

	<u>Free Press</u>	<u>Free Press Action Fund</u>	<u>Eliminations</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in net assets	\$ 2,394,010	\$ (243,278)	\$ -	\$ 2,150,732	\$ 1,898,023
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities					
Depreciation	13,676	-	-	13,676	22,915
(Increase) decrease in					
Contributions and accounts receivable	(1,275,976)	271,087	-	(1,004,889)	(2,293,603)
Due from affiliate	(163,689)	-	163,689	-	-
Prepaid expenses	66,101	-	-	66,101	(70,636)
Increase (decrease) in					
Accounts payable and accrued expenses	(141,543)	198,518	(163,689)	(106,714)	255,452
Accrued vacation	38,716	-	-	38,716	19,560
Net cash provided by (used for) operating activities	<u>931,295</u>	<u>226,327</u>	<u>-</u>	<u>1,157,622</u>	<u>(168,289)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of certificates of deposits	(419,652)	(252,370)	-	(672,022)	(19,416)
Proceeds from sale/maturity of investments	1,850	-	-	1,850	143,109
Net cash provided by (used for) investing activities	<u>(417,802)</u>	<u>(252,370)</u>	<u>-</u>	<u>(670,172)</u>	<u>123,693</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	513,493	(26,043)	-	487,450	(44,596)
<b>CASH AND CASH EQUIVALENTS</b>					
Beginning of year	<u>696,990</u>	<u>170,892</u>	<u>-</u>	<u>867,882</u>	<u>912,478</u>
End of year	<u>\$ 1,210,483</u>	<u>\$ 144,849</u>	<u>\$ -</u>	<u>\$ 1,355,332</u>	<u>\$ 867,882</u>