

FREE PRESS AND FREE PRESS ACTION FUND

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2016

FREE PRESS AND FREE PRESS ACTION FUND

COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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 8, 2017

FREE PRESS AND FREE ACTION FUND

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 867,882	\$ 912,478
Investments	1,039,838	1,163,531
Contributions receivable	2,625,000	336,645
Accounts receivable	5,284	36
Prepaid expenses	121,614	50,978
Property and equipment, net	13,676	36,591
Security deposit	20,290	20,290
Total assets	\$ 4,693,584	\$ 2,520,549
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 355,033	\$ 99,581
Accrued vacation	81,693	62,133
Total liabilities	436,726	161,714
NET ASSETS		
Unrestricted		
Undesignated	756,593	571,014
Board designated		
Operating reserve	1,000,000	1,000,000
Total unrestricted	1,756,593	1,571,014
Temporarily restricted	2,500,265	787,821
Total net assets	4,256,858	2,358,835
Total liabilities and net assets	\$ 4,693,584	\$ 2,520,549

See accompanying notes to combined financial statements.

FREE PRESS AND FREE ACTION FUND
COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions						
Membership	\$ 170,099	\$ -	\$ 170,099	\$ 162,828	\$ -	\$ 162,828
News Voices	-	1,430,000	1,430,000	-	-	-
Internet	-	-	-	-	90,000	90,000
Other	2,050,786	1,437,500	3,488,286	2,118,327	485,000	2,603,327
Collaborative projects	56	-	56	12,114	-	12,114
Investment and other income	20,919	-	20,919	21,927	-	21,927
Net assets released from restriction	<u>1,155,056</u>	<u>(1,155,056)</u>	<u>-</u>	<u>682,179</u>	<u>(682,179)</u>	<u>-</u>
Total support and revenue	<u>3,396,916</u>	<u>1,712,444</u>	<u>5,109,360</u>	<u>2,997,375</u>	<u>(107,179)</u>	<u>2,890,196</u>
EXPENSES						
Program services	2,535,226	-	2,535,226	2,145,220	-	2,145,220
Management and general	234,905	-	234,905	158,332	-	158,332
Fund raising	<u>441,206</u>	<u>-</u>	<u>441,206</u>	<u>524,852</u>	<u>-</u>	<u>524,852</u>
Total expenses	<u>3,211,337</u>	<u>-</u>	<u>3,211,337</u>	<u>2,828,404</u>	<u>-</u>	<u>2,828,404</u>
CHANGE IN NET ASSETS	185,579	1,712,444	1,898,023	168,971	(107,179)	61,792
NET ASSETS						
Beginning of year	<u>1,571,014</u>	<u>787,821</u>	<u>2,358,835</u>	<u>1,402,043</u>	<u>895,000</u>	<u>2,297,043</u>
End 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>

See accompanying notes to combined financial statements.

FREE PRESS AND FREE ACTION FUND

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	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	90,275	8,270	2,543	101,088
	<u>\$ 2,535,226</u>	<u>\$ 234,905</u>	<u>\$ 441,206</u>	<u>\$ 3,211,337</u>
	2015			
	Program Services	Management and General	Fund Raising	Total
COMBINED TOTALS				
Communications	\$ 85,196	\$ 3,851	\$ 15,877	\$ 104,924
Equipment and furnishings	21,363	1,225	4,731	27,319
Occupancy and operating	329,474	24,030	102,924	456,428
Professional services	5,475	32,386	937	38,798
Special projects	42,829	659	865	44,353
Staffing costs	1,591,453	94,197	395,491	2,081,141
Travel costs	69,430	1,984	4,027	75,441
	<u>\$ 2,145,220</u>	<u>\$ 158,332</u>	<u>\$ 524,852</u>	<u>\$ 2,828,404</u>

See accompanying notes to combined financial statements.

FREE PRESS AND FREE ACTION FUND

COMBINED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,898,023	\$ 61,792
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	22,915	22,915
Donated securities	-	(5,022)
(Increase) decrease in		
Contributions and accounts receivable	(2,293,603)	61,517
Prepaid expenses	(70,636)	(17,076)
Increase (decrease) in		
Accounts payable and accrued expenses	255,452	6,304
Accrued vacation	<u>19,560</u>	<u>5,522</u>
Net cash provided by (used for) operating activities	<u>(168,289)</u>	<u>135,952</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposits	(19,416)	(49,470)
Proceeds from sale/maturity of investments	<u>143,109</u>	<u>5,022</u>
Net cash provided by (used for) investing activities	<u>123,693</u>	<u>(44,448)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(44,596)	91,504
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>912,478</u>	<u>820,974</u>
End of year	<u>\$ 867,882</u>	<u>\$ 912,478</u>

See accompanying notes to combined financial statements.

FREE PRESS AND FREE PRESS ACTION FUND
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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, 2016, 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, 2016 and 2015.

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, 2016 and 2015, 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, 2016, the statute of limitations for tax years 2013 through 2015 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. There were donated securities during the year ended December 31, 2015, in the amount of \$5,022.

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, 2016 and 2015, all of the Organizations' contributions receivable are due within one year.

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, 2016 and 2015 consists of interest of \$20,419 and \$21,758, 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, 2016 and 2015 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).

	2016			
	Total Investments at 12/31/16	Quoted Price Market for Assets (Level 1)	Significant 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>
	2015			
	Total Investments at 12/31/15	Quoted Price Market for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	<u>\$ 1,163,531</u>	<u>\$ -</u>	<u>\$ 1,163,531</u>	<u>\$ -</u>

NOTE 6. PROPERTY AND EQUIPMENT

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

	<u>2016</u>	<u>2015</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>(246,216)</u>	<u>(223,301)</u>
	<u>\$ 13,676</u>	<u>\$ 36,591</u>

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2016 and 2015 were subject to restriction as follows:

	<u>2016</u>	<u>2015</u>
Time-restricted	\$ 1,425,000	\$ 330,000
Public Media and Journalism Program	-	157,821
News Voices Program	775,265	-
C. Edwin Baker Fellowship Program	<u>300,000</u>	<u>300,000</u>
	<u>\$ 2,500,265</u>	<u>\$ 787,821</u>

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. Net assets released from restriction during 2015 of \$682,179 resulted from the expiration of time restrictions in the amount of \$245,000 and the satisfaction of purpose restrictions in the amount of \$437,179.

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, 2016 and 2015 was \$75,488 and \$43,912, respectively.

NOTE 9. LEASES

The Organizations conduct their operations from facilities located in Florence, Massachusetts and Washington, D.C. The Florence lease expires on January 31, 2020. The Washington, D.C. lease is a seven-year lease commencing March 1, 2012 and expiring February 28, 2019. In addition to the base minimum rent, the Organizations are responsible for their pro-rata share of any increases in real estate taxes.

Future minimum lease payments by fiscal year are due as follows:

2017	\$ 241,518
2018	248,413
2019	101,911
2020	6,032

Rent expense for the years ended December 31, 2016 and 2015 was \$181,414 and \$185,094, 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, 2016 that exceeded the balances insured by the FDIC by approximately \$1,199,000. 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 2016 and 2015, approximately 88% and 78%, respectively, 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 8, 2017, 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, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Free Press	Free Press Action Fund	Total	Eliminations	2016 Total	2015 Total
ASSETS						
ASSETS						
Cash and cash equivalents	\$ 696,990	\$ 170,892	\$ 867,882	\$ -	\$ 867,882	\$ 912,478
Investments	969,704	70,134	1,039,838	-	1,039,838	1,163,531
Contributions receivable	2,285,000	340,000	2,625,000	-	2,625,000	336,645
Due from affiliate	146,462	-	146,462	(146,462)	-	-
Accounts receivable	5,284	-	5,284	-	5,284	36
Prepaid expenses	120,194	1,420	121,614	-	121,614	50,978
Affiliate advance	-	95,000	95,000	(95,000)	-	-
Property and equipment, net	13,676	-	13,676	-	13,676	36,591
Security deposit	20,290	-	20,290	-	20,290	20,290
Total assets	<u>\$ 4,257,600</u>	<u>\$ 677,446</u>	<u>\$ 4,935,046</u>	<u>\$ (241,462)</u>	<u>\$ 4,693,584</u>	<u>\$ 2,520,549</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued expenses	\$ 354,918	\$ 146,577	\$ 501,495	\$ (146,462)	\$ 355,033	\$ 99,581
Accrued vacation	81,693	-	81,693	-	81,693	62,133
Advance from affiliate	95,000	-	95,000	(95,000)	-	-
Total liabilities	<u>531,611</u>	<u>146,577</u>	<u>678,188</u>	<u>(241,462)</u>	<u>436,726</u>	<u>161,714</u>
NET ASSETS						
Unrestricted						
Undesignated	604,744	151,849	756,593	-	756,593	571,014
Board designated						
Operating reserve	900,000	100,000	1,000,000	-	1,000,000	1,000,000
Total unrestricted	1,504,744	251,849	1,756,593	-	1,756,593	1,571,014
Temporarily restricted	2,221,245	279,020	2,500,265	-	2,500,265	787,821
Total net assets	<u>3,725,989</u>	<u>530,869</u>	<u>4,256,858</u>	<u>-</u>	<u>4,256,858</u>	<u>2,358,835</u>
Total liabilities and net assets	<u>\$ 4,257,600</u>	<u>\$ 677,446</u>	<u>\$ 4,935,046</u>	<u>\$ (241,462)</u>	<u>\$ 4,693,584</u>	<u>\$ 2,520,549</u>

FREE PRESS AND FREE ACTION FUND
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	2016						2015			
	Unrestricted			Temporarily Restricted			2016 Total	Unrestricted	Temporarily Restricted	2015 Total
	Free Press	Free Press Action Fund	Total	Free Press	Free Press Action Fund	Total				
SUPPORT AND REVENUE										
Contributions										
Membership	\$ -	\$ 170,099	\$ 170,099	\$ -	\$ -	\$ -	\$ 170,099	\$ 162,828	\$ -	\$ 162,828
News Voices	-	-	-	995,000	435,000	1,430,000	1,430,000	-	-	-
Internet	-	-	-	-	-	-	-	-	90,000	90,000
Other	1,973,086	277,700	2,050,786	1,437,500	-	1,437,500	3,488,286	2,118,327	485,000	2,603,327
Collaborative projects	56	-	56	-	-	-	56	12,114	-	12,114
Investment income	18,999	1,920	20,919	-	-	-	20,919	21,927	-	21,927
Net assets released from restriction	994,076	160,980	1,155,056	(994,076)	(160,980)	(1,155,056)	-	682,179	(682,179)	-
Total support and revenue	<u>2,986,217</u>	<u>610,699</u>	<u>3,396,916</u>	<u>1,438,424</u>	<u>274,020</u>	<u>1,712,444</u>	<u>5,109,360</u>	<u>2,997,375</u>	<u>(107,179)</u>	<u>2,890,196</u>
EXPENSES										
Program services	2,208,254	526,972	2,535,226	-	-	-	2,535,226	2,145,220	-	2,145,220
Management and general	195,176	39,729	234,905	-	-	-	234,905	158,332	-	158,332
Fund raising	354,695	86,511	441,206	-	-	-	441,206	524,852	-	524,852
Total expenses	<u>2,758,125</u>	<u>653,212</u>	<u>3,211,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,211,337</u>	<u>2,828,404</u>	<u>-</u>	<u>2,828,404</u>
CHANGE IN NET ASSETS	228,092	(42,513)	185,579	1,438,424	274,020	1,712,444	1,898,023	168,971	(107,179)	61,792
NET ASSETS										
Beginning of year	<u>1,276,652</u>	<u>294,362</u>	<u>1,571,014</u>	<u>782,821</u>	<u>5,000</u>	<u>787,821</u>	<u>2,358,835</u>	<u>1,402,043</u>	<u>895,000</u>	<u>2,297,043</u>
End 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>

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, 2016

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Program Services	Management and General	Fund Raising	2016 Total	2015 Total
FREE PRESS					
Communications	\$ 42,057	\$ 1,844	\$ 9,520	\$ 53,421	\$ 86,171
Equipment and furnishings	5,427	385	1,015	6,827	23,151
Occupancy and operating	276,068	24,329	59,653	360,050	367,872
Professional services	3,454	18,658	686	22,798	25,563
Special projects	228,966	1,081	204	230,251	38,356
Staffing costs	1,569,731	140,752	281,414	1,991,897	1,695,222
Travel costs	<u>82,551</u>	<u>8,127</u>	<u>2,203</u>	<u>92,881</u>	<u>68,109</u>
	<u>\$ 2,208,254</u>	<u>\$ 195,176</u>	<u>\$ 354,695</u>	<u>\$ 2,758,125</u>	<u>\$ 2,304,444</u>
FREE PRESS ACTION FUND					
Communications	\$ 15,424	\$ 320	\$ 1,413	\$ 17,157	\$ 18,753
Equipment and furnishings	1,595	77	207	1,879	4,168
Occupancy and operating	73,594	6,497	25,627	105,718	88,556
Professional services	1,107	10,189	129	11,425	13,235
Special projects	405	17	52	474	5,997
Staffing costs	427,123	22,486	58,743	508,352	385,919
Travel costs	<u>7,724</u>	<u>143</u>	<u>340</u>	<u>8,207</u>	<u>7,332</u>
	<u>\$ 526,972</u>	<u>\$ 39,729</u>	<u>\$ 86,511</u>	<u>\$ 653,212</u>	<u>\$ 523,960</u>
COMBINED TOTALS					
Communications	\$ 57,481	\$ 2,164	\$ 10,933	\$ 70,578	\$ 104,924
Equipment and furnishings	7,022	462	1,222	8,706	27,319
Occupancy and operating	349,662	30,826	85,280	465,768	456,428
Professional services	4,561	28,847	815	34,223	38,798
Special projects	29,371	1,098	256	30,725	44,353
Staffing costs	1,996,854	163,238	340,157	2,500,249	2,081,141
Travel costs	<u>90,275</u>	<u>8,270</u>	<u>2,543</u>	<u>101,088</u>	<u>75,441</u>
	<u>\$ 2,535,226</u>	<u>\$ 234,905</u>	<u>\$ 441,206</u>	<u>\$ 3,211,337</u>	<u>\$ 2,828,404</u>

FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Free Press	Free Press Action Fund	Eliminations	2016 Total	2015 Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ 1,666,516	\$ 231,507	\$ -	\$ 1,898,023	\$ 61,792
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities					
Depreciation	22,915	-	-	22,915	22,915
Donated securities	-	-	-	-	(5,022)
(Increase) decrease in					
Contributions and accounts receivable	(1,960,634)	(332,969)	-	(2,293,603)	61,517
Due from affiliate	(33,262)	-	33,262	-	-
Prepaid expenses	(70,636)	-	-	(70,636)	(17,076)
Increase (decrease) in					
Accounts payable and accrued expenses	255,337	33,377	(33,262)	255,452	6,304
Accrued vacation	19,560	-	-	19,560	5,522
Net cash provided by (used for) operating activities	(100,204)	(68,085)	-	(168,289)	135,952
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of certificates of deposits	(17,511)	(1,905)	-	(19,416)	(49,470)
Proceeds from sale/maturity of investments	5,073	138,036	-	143,109	5,022
Net cash provided by (used for) investing activities	(12,438)	136,131	-	123,693	(44,448)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(112,642)	68,046	-	(44,596)	91,504
CASH AND CASH EQUIVALENTS					
Beginning of year	809,632	102,846	-	912,478	820,974
End of year	\$ 696,990	\$ 170,892	\$ -	\$ 867,882	\$ 912,478