

FORT COLLINS PUBLIC ACCESS NETWORK

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016

Fort Collins Public Access Network
Annual Financial Report
For the Year Ended June 30, 2016

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To the Board of Trustees of
Fort Collins Public Access Network
200 Mathews St
Fort Collins CO 80524

Management is responsible for the accompanying financial statements of Fort Collins Public Access Network (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Rose E Melville, CPA
Loveland CO
August 29, 2016

BASIC FINANCIAL STATEMENTS

Fort Collins Public Access Network
Statement of Financial Position
June 30, 2016

Assets

Cash and cash equivalents	\$ 48,144
	<u>48,144</u>
Total Assets	\$ 48,144
	<u><u>48,144</u></u>

Net assets

Unrestricted	\$ 10,725
Temporarily restricted	<u>37,419</u>
Total net assets	\$ 48,144
	<u><u>48,144</u></u>

Fort Collins Public Access Network
Statement of Activities
Year Ended June 30, 2016

Changes in unrestricted net assets

Unrestricted support

Contributions	\$	364
Program income		10,700

Total support		11,064
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Net assets released from restrictions

Satisfied by payments		35,789
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Total unrestricted revenues and net assets released from restrictions		46,853
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Expenses

Program services		2,819
Management and general		34,324

Total expenses		37,143
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Change in unrestricted net assets		9,710
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Change in temporarily restricted net assets

Grants received		40,000
Net assets released from restrictions		(35,789)

Change in temporarily restricted net assets		4,211
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Change in net assets		13,921
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Net assets at beginning of year		34,222
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Net assets at end of year	\$	48,144
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Fort Collins Public Access Network
Statement of Cash Flows
Year Ended June 30, 2016

Operating activities:

Change in net assets	<u>\$ 13,921</u>
Net cash provided by operating activities	13,921
Cash and cash equivalents at beginning of year	<u>34,222</u>
Cash and cash equivalents at end of year	<u><u>\$ 48,144</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1. Organization and Summary of Accounting Policies

Organization

Fort Collins Public Access Network (FCPAN) is authorized by the City of Fort Collins as a Designated Access Provider since 1994. FCPAN, operating in the public interest, will encourage participation in civic life; foster artistic and cultural expression; facilitate better communication between non-profit organizations and the community they serve; and energetically support all individuals as they explore their creativity and public discourse in the visual medium of public access television. To this end, FCPAN will educate the public about public access television and support the development of local, grassroots television and film productions through ongoing training and education programs.

Program activities include the functions necessary to provide support for the organization's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Basis of Presentation

The accompanying financial statements have been prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America (GAAP) and are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand or in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less. Cash and cash equivalents do not include cash restricted by donors for exhibits or other assets restricted for long-term purposes.

Property and Equipment

The organization uses the public access equipment owned by the City of Fort Collins during the term of the contract, which includes all equipment necessary for production, broadcast, and training services. All equipment is owned by the City and is to be kept in good working order by the organization, as such, there is no property and equipment to report.

Unrestricted Net Assets

Unrestricted net assets represent unrestricted resources available to support the organization's operations and temporarily restricted resources which have become available for use by the organization in accordance with the intentions of donors. Unrestricted net assets include funds functioning as endowment through designation by the Board.

Temporarily Restricted Net Assets

Temporarily restricted net assets represent gifts that are subject to donor-imposed purpose or time restrictions that can be fulfilled either by actions of the organization pursuant to those restrictions, with the passage of time, or both. Upon satisfaction of such restrictions, net assets are released from temporarily restricted net assets and recognized as unrestricted net assets. Temporarily restricted net assets also include undistributed earnings from donor restricted endowments which are released from temporarily restricted net assets and recognized as unrestricted net assets upon Board approval of annual endowment distributions.

Permanently Restricted Net Assets

Permanently restricted net assets represent gifts with donor-imposed restrictions that the original gift amounts be maintained in perpetuity as an endowment.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as 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. Significant estimates include the useful lives of property and equipment; and gifts-in-kind. Actual results could differ from those estimates.

Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction.

Gifts-In-Kind Contributions

The organization periodically receives contributions in a form other than cash or investments. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance non-financial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants.

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. Additionally, advertising costs are expensed as incurred.

Tax Status

The organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending 2013, 2014, and 2015 are still open to audit for both federal and state purposes. Contributions to the organization are tax deductible to donors under section 170 of the IRC. The organization is not classified as a private foundation.

2. Basis of Presentation

The accompanying financial statements have been prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The organization reports information regarding its financial position and activities according to three classes of net assets:

- *Unrestricted net assets.* Net assets that are not subject to donor-imposed stipulations. The Board of Trustees may elect to designate such net assets for specific purposes or to function as endowment. This designation may be removed at the Board’s discretion.
- *Temporarily restricted net assets.* Net assets that are subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to these stipulations.
- *Permanently restricted net assets.* Net assets that are subject to donor-imposed stipulations that must be maintained in perpetuity while permitting the organization to use or expend part or all of the income derived from the donated assets. The Organization currently has no permanently restricted net assets.

3. Cash and Cash Equivalent

Cash at June 30, 2016 is as follows:

Cash	\$ 10,724
Grant Fund	<u>37,419</u>
Total	\$ 48,143

4. Risk Management

The organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The organization assumes liability for any deductibles and claims in excess of coverage limitations. There have been no claims from these risks for the past three years.

6. Restrictions on Net Assets

Substantially all of the restrictions on net assets at the end of fiscal year 2016 relates to funds from the City of Fort Collins. FCPAN and the City of Fort Collins entered into an agreement for FC Public Media (also known as FCPAN and Fort Collins public Access Network) to provide certain services to the people of Fort Collins during the period of January 1, 2015 through December 31, 2016 in exchange for a grant from the City.

7. Subsequent Events

Subsequent events have been evaluated through August 29, 2016, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.