



People TV Financial Audit | 2014



PEOPLE TV, INC
190 14TH STREET, NW
ATLANTA, GA 30318

<http://www.peopletv.org>

For Year Ended December 31, 2014

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Wendy E. Belkin

234 Third Avenue

Decatur, Georgia 30030

404-625-2860

March 27, 2015

Board of Directors

People TV, Inc.

190 14th Street NW

Atlanta, Georgia 30318

I have audited the accompanying financial statements of People TV, Inc., a nonprofit organization, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, statement of function expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

It is my responsibility to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. These standards require that I plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the 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 controls. Accordingly, I 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 financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of People TV, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that People TV, Inc., will continue as a going concern. As disclosed in note G, a reduction in revenue raises substantial doubt about the organization's ability to continue as a going concern. Management's plans in this regard are also described in note G. The financial statements do not include any adjustments that might result from the outcome of uncertainty. My opinion is not modified with respect to this matter.

This report is intended solely for the information and use of the management of People TV, Inc. It is not intended to be and should not be used by anyone other than People TV, Inc.

Wendy E. Belkin, CPA

A handwritten signature in black ink, appearing to read "Wendy E. Belkin", written over the printed name.

PEOPLE TV, INC.
BALANCE SHEET
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
CURRENT ASSETS			
Cash and Cash Equivalents	158190		158190
Prepaid Expenses	247		247
Total Current Assets	158437		158437
FIXED ASSETS			
Furniture and Equipment	1390738		1390738
Leasehold Improvements	424852		424852
Less Accumulated Depreciation	-1763579		-1763579
Total Fixed Assets	52011		52011
OTHER ASSETS			
Deposits			
Total Other Assets	210448		210448
TOTAL ASSETS			
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	0		0
Deferred Revenue	150000		150000
Total Current Liabilities	150000		150000
NET ASSETS	60448		60448
TOTAL LIABILITIES AND NET ASSETS	210448		210448

See Auditor's Report and Notes to Financial Statements

For Year Ended December 31, 2014

PEOPLE TV, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUE			
Contributions	3603		3603
Contract-City of Atlanta Franchise	175000		175000
Workshop Income	5105		5105
Service Fees	13130		13130
Interest Savings Account	131		131
Donated Equipment and Supplies	9902		9902
In-Kind Services Contributed	1350		1350
Contributions Other	458		458
Total Support and Other Revenue	208679		208679
EXPENSES			
Program Services:			
Public Access	175616		175616
Support Services:			
Management and General	53698		53698
Fundraising	22594		22594
Total Expenses	251908		251908
			0
CHANGE IN NET ASSETS	-43229		-43229
NET ASSETS BEGINNING OF YEAR	107135		107135
Deposits Adjustment	-3458		-3458
NET ASSETS END OF YEAR	60448		60448

See Auditor's Report and Notes to Financial Statements

PEOPLE TV, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

(Deficiency) of Support and Revenue (under) Expenses	-43231
Adjustments to reconcile excess to net cash used by operating activities	
Depreciation	11219
Decrease in:	
Accounts Payable	-5160
Deferred Revenue	-25000
Increase in:	
Prepaid Expenses	-247
Net cash provided by operating Activities	-62419

CASH FLOWS FROM INVESTING ACTIVITIES

Microsoft Software Upgrade	-9595
Net cash used by investing activities	

NET CHANGE IN CASH -72014

CASH DECEMBER 31, 2013 230204

CASH DECEMBER 31, 2014 158190

See Auditor's Report and Notes to Financial Statements

PEOPLE TV, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	PUBLIC ACCESS	MANAGEMENT	FUNDRAISING	TOTAL
Occupancy	66508	17916	6063	90487
Contract Services	91585	24671	8350	124606
Office Expenses		5985	3669	9654
Insurance	2725	734	248	3707
Telephone/Internet	4426	1192	403	6021
Production Supplies	1273			1273
Computer/Equipment Maintenance	531	143	48	722
Audit/Accounting/Tax		750	0	750
Fundraising			3031	3031
Travel/Transportation/Meals				0
Dues/Subscriptions/Fee	322	86	30	438
 TOTAL EXPENSES before Depreciation	 167370	 51477	 21842	 240689
Depreciation	8246	2221	752	11219
 TOTAL EXPENSES	 175616	 53698	 22594	 251908

See Auditor's Report and Notes to Financial Statements

PEOPLE TV, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE A: NATURE OF ACTIVITIES

Public Access in Atlanta began with a contract between the city and the cable company on February 6, 1980 which allocated cable TV channels exclusively for use by the Atlanta community. In a subsequent access agreement signed on September 1, 1981, the cable operator agreed to provide fully equipped production studios. Originally, public access was operated as a department of the cable company. In 1986 it was agreed by the City of Atlanta and the cable operator that a non-profit corporation would take over the administration and the day-to-day operation of the city's public access channel(s). In January 1, 1986, by Agreement between the City of Atlanta and Prime cable (the 1986 cable company), People TV, Inc. was incorporated as a Georgia non-profit corporation for the purpose of administering the day-to-day operation of the city's public access channel(s).

On November 1, 1995, the City of Atlanta and People TV, Inc. entered into a new agreement and People TV, Inc. secured its 501(c)(3) tax-exempt, non-profit status under the Federal Tax Code. Beginning on November 1, 1995, through a 15 year cable franchise agreement, between the City and GCTV, a subsidiary of Southern Media Communications, People TV, Inc. was to receive substantial capital and expense funding. This agreement was supported by the contract between People TV, Inc. and the City of Atlanta for 3 five year terms. The initial term ended December 31, 1999 with the provisions for the 2 five year renewal terms which ended both the franchise and the People TV, Inc. contract on December 31, 2009.

On September 8, 2009, a new 7 year franchise agreement between Comcast and the City was approved by Council effective January 1, 2010 through December 31, 2016. As a part of the agreement, the City received a one time payment of \$500,000.00.

Upon the completion of the franchise agreement mentioned above, the City of Atlanta and People TV, Inc. entered into a 2 year contract for the period January 1, 2013 through December 31, 2014. People TV, Inc. was allocated \$350,000.00 during 2013. Of this amount, \$175,000.00 is recognized as revenue as Contracts-City of Atlanta on the Statement of Activities and \$175,000.00 was deferred until 2014 and was previously recorded as Deferred Revenue on the Statement of Financial Position. The \$175,000.00 that was deferred until 2014 is recognized as revenue as Contracts-City of Atlanta for the year ended December 31, 2014.

In addition to the contract with the City, People TV, Inc. is supported through grants, contributions, and fees earned for services provided.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**Cash and Cash Equivalents:**

People TV, Inc. considers all highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents.

Contributions and Donations:

In-kind support is recognized for professional services received if those services a) create and enhance long-lived assets, or b) require specialized skills, are provided by individuals possessing such skills, and would typically need to be purchased if not provided by donation.

Contributions are recorded at fair values as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Fixed Assets:

Fixed assets are carried at a cost except for donated items, which are recorded at the estimated fair market value when donated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years for broadcasting and computer equipment as well as for equipment held under capital leases; and 15 to 39 years for leasehold improvements. Expenditures of \$500 or more for major renewals and betterments which increase the value or materially extend the life of the related assets are capitalized. Expenditures for maintenance and repairs are expensed as incurred. During the term of the contract as described in Note A, People TV, Inc. must obtain consent for the Mayor to sell, convey, or lease substantial assets acquired under the contract.

Financial Instruments:

Financial instruments, principally receivables, accounts payable, and accrued expenses are reported at values which People TV, Inc. believes are not significantly different from fair values.

Functional Expense Allocations:

Costs of providing programs, management services and fundraising have been summarized on a functional basis on the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates by management.

Income Taxes:

People TV, Inc. is a not-for-profit organization under section 501(c)(3) of the Internal Revenue Code. People TV, Inc. follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. Under this guidance, People TV, Inc. assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires change. People TV Inc. recognizes accrued interest related to uncertain tax positions in interest expense and penalties in operating expenses. Management believes there were no uncertain tax positions at December 31, 2014.

Net Assets:

People TV, Inc. reports information regarding its financial position and activities according to 3 classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently there are no temporarily or permanent restricted assets.

Receivables and Bad Debts:

The allowance method is used for recognition of bad debts.

Unconditional Promises to Give:

Promises to give are recognized as support when the donor makes a promise to give to People TV, Inc., that is, in substance, unconditional. Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discount on these amounts is computed using risk-free interest rate applicable to the year in which the pledge is made. All promises to give are due in less than one year.

Basis of Accounting:

Annual financial statements are prepared on the accrual basis of accounting.

Use of Estimates:

Management uses estimates and assumptions in preparing financial statements in accordance with the accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenue and expenses. Actual results could differ from those estimates.

Subsequent Events:**NOTE C: OPERATING LEASE**

People TV, Inc. leases its facilities under a non-cancelable lease expiring December 31, 2015. Although there was an increase in rent, People TV, Inc. negotiated a smaller increase in rent that required payment of six month's rent in advance at the negotiated lower rent increase.

NOTE D: CONCENTRATION OF RISK

People TV, Inc. maintains its cash balances in a financial institution in two accounts. The funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.00. From time to time the balance may exceed \$250,000.00. As of December 31, 2014, People TV, Inc. has no funds in excess of the FDIC. For the period January 1, 2014 to December 31, 2014 the City of Atlanta represents approximately 83.9% of total support.

NOTE E: CASH FLOW

People TV, Inc. had noncash investing transactions relating to contributions of property and equipment. The amount is included in Contributions on the Statement of Activities. People TV received non-cash contributions of \$9595; of this amount, \$9595 was capitalized and included in Furniture and Equipment.

NOTE F: TEMPORARILY RESTRICTED ASSETS

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

There were no temporarily restricted assets at December 31, 2014.

NOTE G: GOING CONCERN

People TV received \$150000 from the City of Atlanta In October, 2014, to be used as revenue in 2015. People TV does not have a current contract with the City of Atlanta. The City Utilities Committee has encouraged People TV to develop a strategic plan of action to continue quality public access television programming and to become a self-sustaining operation by seeking new funding sources.