

ALABAMA PUBLIC TELEVISION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1 – 3
 FINANCIAL STATEMENTS	
Combined Statements of Net Position.....	4 – 5
Combined Statements of Activities.....	6 – 7
Combined Statements of Functional Expenses - 2023 and 2022.....	8
Combined Statements of Cash Flows.....	9
Notes to the Combined Financial Statements.....	10 – 33
 SUPPLEMENTAL INFORMATION	
<u>Legal Entities</u>	
Combining Schedule of Net Position by Legal Entity.....	34 – 35
Combining Schedule of Activities by Legal Entity.....	36 – 37
Statement of Functional Expenses by Legal Entity.....	38 – 39
Combining Schedule of Cash Flows by Legal Entity.....	40
<u>Television and Radio Operations</u>	
Combining Schedule of Net Position.....	41 – 42
Combining Schedule of Activities.....	43 – 44
Statement of Functional Expenses.....	45
Combining Schedule of Cash Flows.....	46



Independent Auditor's Report

Board of Directors
Alabama Public Television
Birmingham, Alabama

Opinion

We have audited the accompanying combined financial statements of Alabama Public Television (a nonprofit organization), which comprise the combined statements of net position as of September 30, 2023 and 2022, 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.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Alabama Public Television as of September 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Alabama Public Television and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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; and for 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.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alabama Public Television's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Alabama Public Television's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alabama Public Television's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedule of net position by legal entity, combining schedule of activities by legal entity, statement of functional expenses by legal entity, combining schedule of cash flows by legal entity, combining schedule of net position by television and radio operations, combining schedule of activities by television and radio operations, statement of functional expenses by television and radio operations, and combining schedule of cash flows by television and radio operations are presented for the purposes of additional analysis and are not a required part of the 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 information has been subjected to the auditing procedures applied in the audit 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 information is fairly stated in all material respects in relation to the combined financial statements as a whole.

KASSOUF & CO., INC.

A handwritten signature in black ink that reads "Kassouf & Co." in a cursive script.

CPAs and Advisors

April 9, 2024

ALABAMA PUBLIC TELEVISION
Combined Statements of Net Position
As of September 30, 2023 and 2022

ASSETS	2023	2022
Cash and cash equivalents		
State accounts	\$ 10,696,637	\$ 7,506,299
AETFA	3,994,774	4,039,898
Money market	106,442	140,377
APTF	1,513,497	1,062,845
TOTAL CASH AND CASH EQUIVALENTS	16,311,350	12,749,419
Other current assets		
Investments	6,384,478	5,616,191
Accounts receivable	416,508	423,626
Prepaid expenses	596,742	697,818
TOTAL OTHER CURRENT ASSETS	7,397,728	6,737,635
TOTAL CURRENT ASSETS	23,709,078	19,487,054
PROPERTY AND EQUIPMENT		
Land	890,241	890,241
Transmission equipment and towers	30,451,294	34,950,072
Equipment	8,100,221	7,993,319
Furniture and fixtures	472,722	441,052
Buildings	5,685,871	5,609,043
Vehicles	731,071	558,959
TOTAL PROPERTY AND EQUIPMENT	46,331,420	50,442,686
Less: Accumulated depreciation	30,610,801	36,360,320
NET PROPERTY AND EQUIPMENT	15,720,619	14,082,366
RIGHT OF USE ASSETS - OPERATING LEASES	3,380,214	-
TOTAL ASSETS	\$ 42,809,911	\$ 33,569,420

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Net Position (Continued)
As of September 30, 2023 and 2022

	2023	2022
LIABILITIES AND NET POSITION		
Accounts payable	\$ 1,037,725	\$ 1,040,338
Accrued salary and benefits	871,548	790,869
Other current liabilities	23,000	18,253
Unearned revenue	248,153	207,650
Current portion of operating lease liability	363,395	-
TOTAL CURRENT LIABILITIES	2,543,821	2,057,110
Accrued salary and benefits - long term	403,301	435,474
Long-term operating lease liability	3,075,035	-
TOTAL NON CURRENT LIABILITIES	3,478,336	435,474
TOTAL LIABILITIES	6,022,157	2,492,584
NET POSITION		
Net assets without donor restrictions	25,869,412	23,697,879
Net assets with donor restrictions	10,918,342	7,378,957
TOTAL NET POSITION	36,787,754	31,076,836
TOTAL LIABILITIES AND NET POSITION	\$ 42,809,911	\$ 33,569,420

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Activities
For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUES		
Appropriations - State of Alabama	\$ 6,226,264	\$ 5,170,097
Corporation for Public Broadcasting	2,514,936	2,446,832
Contributions	4,466,854	3,316,503
Telecasting production and other income	32,900	29,500
Tower space and other rental	386,603	374,297
Grants and contracts	766,015	686,179
Underwriting grants and contributions	978,857	930,449
Investment income (loss)	399,530	(848,391)
Interest income	157,085	9,981
In-kind support	81,352	86,390
Federal Communication Commission repacking	-	200
Insurance proceeds	5,696	-
Other income	7,263	29,252
Net position released from restrictions	<u>5,369,764</u>	<u>8,271,822</u>
TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	<u>21,393,119</u>	<u>20,503,111</u>
EXPENSES		
Program Services:		
Programming and production	8,438,413	7,123,447
Broadcasting	2,904,180	3,454,050
Program information	790,097	698,564
Total Program Services	<u>12,132,690</u>	<u>11,276,061</u>
Supporting Services:		
Management and general	3,144,602	2,835,907
Fundraising	1,499,316	1,398,707
Underwriting	219,762	207,894
Depreciation	2,221,145	1,656,176
Total Supporting Services	<u>7,084,825</u>	<u>6,098,684</u>
TOTAL EXPENSES	<u>\$ 19,217,515</u>	<u>\$ 17,374,745</u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Activities (Continued)
For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net (loss) gain on disposal of fixed assets	<u>(4,072)</u>	<u>4,815</u>
INCREASE IN NET POSITION WITHOUT DONOR RESTRICTIONS	<u>2,171,532</u>	<u>3,133,181</u>
CHANGES IN NET POSITION WITH DONOR RESTRICTIONS		
Appropriation - State of Alabama Education Trust Fund	8,121,094	5,093,791
Appropriation - State of Alabama Education General Fund	681,713	500,000
Investment income (loss)	106,343	(240,158)
Net position released from restrictions	<u>(5,369,764)</u>	<u>(8,271,822)</u>
INCREASE (DECREASE) IN NET POSITION WITH DONOR RESTRICTIONS	<u>3,539,386</u>	<u>(2,918,189)</u>
CHANGE IN NET POSITION	5,710,918	214,992
NET POSITION - BEGINNING OF YEAR	<u>31,076,836</u>	<u>30,861,844</u>
NET POSITION - END OF YEAR	<u><u>\$ 36,787,754</u></u>	<u><u>\$ 31,076,836</u></u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Functional Expenses
For the Year Ended September 30, 2023

	Program Activities				Supporting Activities					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, Wages, and Benefits	\$ 2,876,957	\$ 1,334,765	\$ 568,228	\$ 4,779,950	\$ 1,706,617	\$ 466,927	\$ 213,926	\$ -	\$ 2,387,470	\$ 7,167,420
Travel	97,193	65,960	7,920	171,073	44,479	5,699	2,353	-	52,531	223,604
Repairs & Maintenance	43,034	165,533	-	208,567	14,911	35,914	-	-	50,825	259,392
Rentals & Leases	4,127,694	28,440	128	4,156,262	483,640	311	69	-	484,020	4,640,282
Utilities	84,340	830,127	37,141	951,608	108,965	92,481	1,280	-	202,726	1,154,334
Professional Services	428,454	396,360	72,094	896,908	192,599	597,430	-	-	790,029	1,686,937
Supplies & Other Operating	780,741	82,995	104,586	968,322	593,391	300,554	2,134	-	896,079	1,864,401
Depreciation	-	-	-	-	-	-	-	2,221,145	2,221,145	2,221,145
	<u>\$ 8,438,413</u>	<u>\$ 2,904,180</u>	<u>\$ 790,097</u>	<u>\$ 12,132,690</u>	<u>\$ 3,144,602</u>	<u>\$ 1,499,316</u>	<u>\$ 219,762</u>	<u>\$ 2,221,145</u>	<u>\$ 7,084,825</u>	<u>\$ 19,217,515</u>

For the Year Ended September 30, 2022

	Program Activities				Supporting Activities					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, Wages, and Benefits	\$ 2,613,666	\$ 1,243,089	\$ 520,534	\$ 4,377,289	\$ 1,583,682	\$ 430,466	\$ 202,263	\$ -	\$ 2,216,411	\$ 6,593,700
Travel	48,169	67,363	1,601	117,133	24,377	-	2,909	-	27,286	144,419
Repairs & Maintenance	29,894	411,834	-	441,728	744	32,351	-	-	33,095	474,823
Rentals & Leases	3,640,301	23,411	66	3,663,778	398,553	321	68	-	398,942	4,062,720
Utilities	87,295	1,193,707	33,488	1,314,490	114,720	103,842	1,283	-	219,845	1,534,335
Professional Services	370,026	319,872	76,112	766,010	210,734	553,993	48	-	764,775	1,530,785
Supplies & Other Operating	334,096	194,774	66,763	595,633	503,097	277,734	1,323	-	782,154	1,377,787
Depreciation	-	-	-	-	-	-	-	1,656,176	1,656,176	1,656,176
	<u>\$ 7,123,447</u>	<u>\$ 3,454,050</u>	<u>\$ 698,564</u>	<u>\$ 11,276,061</u>	<u>\$ 2,835,907</u>	<u>\$ 1,398,707</u>	<u>\$ 207,894</u>	<u>\$ 1,656,176</u>	<u>\$ 6,098,684</u>	<u>\$ 17,374,745</u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Cash Flows
For the Years Ended September 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATIONS		
Change in net position	\$ 5,710,918	\$ 214,992
Add items not requiring an outlay of cash:		
Depreciation	2,221,145	1,656,176
Amortization of right of use asset - operating leases	508,307	-
Operating lease obligation	(450,091)	-
Net realized and unrealized (gain) loss on investments	(346,690)	1,400,414
Contributions of marketable securities	(11,302)	(5,599)
Net realized loss (gain) on sale of fixed assets	4,072	(4,815)
Change in assets and liabilities		
Accounts receivable decrease (increase)	7,118	(182,440)
Prepaid expense decrease (increase)	101,076	(443,248)
Accounts payable decrease	(2,613)	(762,203)
Accrued expenses increase	48,506	129,291
Other current liabilities increase	4,747	4,577
Unearned revenue increase	40,503	10,687
NET CASH PROVIDED FROM OPERATIONS	<u>7,835,696</u>	<u>2,017,832</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,117,206	498,973
Purchases of investments	(1,527,501)	(764,027)
Proceeds from sale of fixed assets	40,458	4,815
Purchases of fixed assets	(3,903,928)	(5,248,366)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(4,273,765)</u>	<u>(5,508,605)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,561,931	(3,490,773)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>12,749,419</u>	<u>16,240,192</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 16,311,350</u></u>	<u><u>\$ 12,749,419</u></u>
NONCASH FINANCING AND INVESTING ACTIVITIES		
Right of use asset - operating leases obtained in exchange for new operating lease obligations	<u><u>\$ 3,757,046</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Alabama Public Television's (APT) policy is to prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues are recognized in the period in which they become due. Expenses are recognized in the period in which they are incurred.

Organization

The combined financial statements of APT consist of three entities:

Alabama Educational Television Commission (AETC)
Alabama Educational Television Foundation Authority (AETFA)
APT Foundation (APTF)

The AETC is an agency of the State of Alabama and is governed by the rules and regulations of the State as to purchasing, personnel, administration, and all other applicable laws and regulations. The governing body is a Commission consisting of seven (7) members, one from each Congressional district of the State, appointed by the Governor. Member terms are staggered with Commission appointments for terms of ten (10) years each.

The AETFA was established in 1982 by a special session of the Alabama Legislature and activated during fiscal year 1985 as a public not-for-profit corporation. The AETFA received its determination letter from the Internal Revenue Service on April 16, 1985 and was established as a tax-exempt entity under section 501(c)(3) of the Internal Revenue Code.

The AETFA was organized exclusively for charitable and educational purposes; to hold, manage and invest monies or property given or donated to APT by the public, corporations, organizations, and other foundations for educational and charitable purposes related to the preservation, maintenance, promotion, development and growth of educational and public broadcasting in the State of Alabama. The AETFA also applies for and receives federal, state and local grants in support of APT's mission.

The Code of Alabama 1975 Section 16-7A-1 provides that the Board of Directors of the AETFA consists of thirteen (13) members. One (1) member is the general manager who shall serve as an ex officio member. Seven (7) members are the AETC Commissioners. The other five (5) members are appointed at-large. Per Section 16-7A-2, AETC Commissioners are appointed to a term on the AETFA Board of Directors that is concurrent in duration with their term on the AETC. The at-large members are appointed to four (4) year terms.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Organization – Continued

The APTF is a private foundation created by APT whose sole function is to raise funds for the benefit of APT. The APTF received its determination letter from the Internal Revenue Service on November 30, 2009 and was established as a tax-exempt entity under section 501(c)(3) of the Internal Revenue Code. Furthermore, the APTF was determined to be a type I supporting organization under section 509(a)(3) of the Internal Revenue Code.

The by-laws of the APTF provide for a Board of Directors that consists of ten (10) members. Four (4) ex-officio members include the chair of the AETC, the chair of the AETFA Board of Directors, the APT Executive Director, and the APT Chief Legal Counsel/Chief Financial Officer. Six (6) members are appointed at-large with staggered terms of three years after the initial two-year term.

APT operates the following noncommercial educational public television stations in Alabama:

WAIQ	Montgomery
WBIQ	Birmingham
WCIQ	Mt. Cheaha
WDIQ	Dozier
WEIQ	Mobile
WFIQ	Florence
WGIQ	Louisville/Texasville
WHIQ	Huntsville
WIIQ	Demopolis

In addition, APT also operates a public radio station, WLRH-FM, in Huntsville, Alabama.

Fund Accounting

The AETC generally maintains two fund groups. The Education Trust Fund includes funds appropriated from the State of Alabama. Federal and Other includes funds from tower rentals, telecasting and other revenues generated from State owned assets. During fiscal year 2023, the AETC received additional supplemental appropriations from the State of Alabama General Fund. The AETC does not maintain separate cash or bank accounts under its name or control. All funds are received and paid by the State of Alabama through its checking accounts.

The AETFA and the APTF receive and disburse funds on behalf of APT through checking accounts under their names and control.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

For purposes of the combined statement of cash flows, APT considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

APT reports investments in equity securities with readily determinable market values and all investments in debt securities at fair value with gains and losses reported in the combined statement of activities.

Accounts Receivable

Accounts receivable primarily consists of amounts due from grantor agencies, tower leases with third parties, and corporate support. Receivables are stated at unpaid balances, less an allowance for doubtful accounts. APT provides for losses on accounts receivable using the allowance method. APT determines the allowance based on historical write-off experience and customer specific information. It is APT's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. As of September 30, 2023 and 2022, all accounts receivable were deemed collectible by APT; therefore, no allowance was necessary.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair market value on the date of donation. APT capitalizes additions of property and equipment in accordance with the State of Alabama's capitalization policy. Ordinary repairs and maintenance are charged to expense when incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Equipment and towers	3 to 15 years
Buildings	31 years

The cost of assets sold or retired along with the related accumulated depreciation are removed from the accounts and the gain or loss on such disposition is recognized in the combined statement of activities.

Depreciation expense was \$2,221,145 for 2023 and \$1,656,176 for 2022.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Lease Accounting - Arrangements wherein the Organization is the Lessee

APT leases certain space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in right of use assets (ROU) – operating leases, current portion of operating lease liabilities, and long-term operating lease liabilities on the combined statement of net position. Finance leases would be included in property and equipment, current liabilities, and finance lease obligation on the combined statement of net position if any existed.

ROU assets represent APT's right to use an underlying asset for the lease term, and lease liabilities represent APT's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. APT uses the implicit rate when it is readily determinable. Since most of APT's leases do not provide an implicit rate, to determine the present value of lease payments, APT uses the risk-free rate based on information available at lease commencement. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. APT's lease terms may include options to extend or terminate the lease when it is reasonably certain that APT will exercise the option.

APT has lease agreements with lease and non-lease components. For certain space and equipment leases, APT accounts for the lease and non-lease components as a single lease.

Lease Accounting - Arrangements wherein the Organization is the Lessor

Each new lease contract is evaluated for classification as a sales-type lease, direct financing or operating lease. A lease is a sales-type lease if any one of five criteria are met, as outlined in ASC 842, each of which indicate the lease, in effect, transfers control of the underlying asset to the lessee. If none of those five criteria are met, but two additional criteria are both met, indicating an organization has transferred substantially all the risks and benefits of the underlying asset to the lessee and a third party, the lease is a direct financing lease. All leases that are not sales-type or direct financing leases are operating leases. APT does not currently have any sales-type or direct financing leases.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Lease Accounting - Arrangements wherein the Organization is the Lessor - Continued

For operating leases wherein APT is the lessor, APT assesses the probability of payments at commencement of the lease contract and subsequently recognized lease income, including variable payments based on an index or rate, over the lease term on a straight-line basis, as a component of tower space and other rental income. APT continues to measure and disclose the underlying assets subject to operating leases based on their policies for application of ASC 360, Property, Plant and Equipment.

For all asset classes APT has elected to not separate the lease and non-lease components which generally relate to taxes and insurance. APT's lease contracts are structured in a manner to reduce risks associated with the residual value of leased assets.

Accrued Salary and Benefits

Accrued salary and benefits consists of salary and benefit expenses incurred by APT but not yet paid. APT's policy is to compensate employees for accumulated annual leave up to a certain threshold upon separation from service. Employees meeting certain eligibility requirements can also be compensated for half of their accrued sick leave up to a certain threshold. APT recognizes these accrued leave liabilities as current for employees who are eligible to retire. The portion earned by employees who are not yet eligible to retire is presented as a long-term liability.

Support and Revenue

Grants, appropriations, contributions, and other sources of revenue are recorded when earned.

Expenses

Expenses are recorded when incurred.

Income Taxes

AETC is an exempt organization operating as a state agency, as created by the State of Alabama legislature. AETFA and APTF are exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

APT has adopted Accounting Standards Codification (ASC) 958, "Financial Statements of Not-for-Profit Organizations." Under ASC 958, APT is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions consist of unrestricted amounts that are available for use in carrying out the activities of APT.

Net position with donor restrictions represent those amounts which are not available until future periods or are donor restricted for specific purposes. As of September 30, 2023 and 2022, net position with donor restrictions consist of endowment funds which resulted from gifts and bequests from donors who placed restrictions on the use of the funds and mandated that the original principal be invested in perpetuity, income and appreciation generated from these endowment funds, the remaining state appropriations available to APT to expend in the subsequent fiscal year, and amounts remaining from the Corporation for Public Broadcasting America Rescue Plan Act Stabilization Grants.

Fair Value of Financial Instruments

The following methods and assumptions were used by APT in estimating its fair value disclosures for financial instruments.

Cash, cash equivalents, and receivables: The carrying amounts reported in the combined statement of net position approximate fair values because of the short-term maturities of those instruments. Furthermore, APT has adopted ASC 820, *Fair Value Measurements and Disclosures*. In accordance with ASC 820, fair value is defined as the price that APT would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value of Financial Instruments - Continued

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed 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 APT's own assumptions in determining the fair value of investments)

See Note 9, Investments, for a summary of the inputs used as of September 30, 2023 and 2022 in determining the fair value of AETFA's investments.

Endowment Net Asset Classification of Funds

ASC 958-205-05-8, Reporting Endowment Funds provides guidance on the net asset classification of donor-restricted endowment funds for a non-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The AETFA has adopted ASC 958-205-05-8.

ASC 958-205-05-8 requires expanded disclosures surrounding the AETFA's endowment funds. The state of Alabama's UPMIFA legislation became effective on January 1, 2009. For states (including Alabama) which have enacted UPMIFA, ASC 958-205-05-8 may also require retrospective reclassification of net assets between with donor restriction and/or without donor restriction categories. The expanded disclosures have been included in Note 10.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2019-01, Leases (Topic 842): Codification Improvements. The most significant change in the new leasing guidance is the requirement to recognize right of use (ROU) assets and lease liabilities for operating leases on the combined statement of net position.

APT elected to adopt these ASUs effective October 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the APT's combined statement of net position but did not have a material impact on the combined statement of activities. The most significant impact was the recognition of the ROU assets and lease liabilities for operating leases. Adoption of the standard required APT to restate amounts as of October 1, 2022, resulting in an increase in operating lease ROU assets of \$3,681,452, an increase in the current portion of lease liability of \$309,137, and an increase in the long-term operating lease liability of \$3,372,315.

Subsequent Events

Subsequent events have been evaluated through April 9, 2024, which is the date the financial statements were available to be issued.

NOTE 2 - STATE OF ALABAMA APPROPRIATION

AETC receives appropriations from the State of Alabama Education Trust Fund on a fiscal year basis as approved by the State Legislature and the Governor. For the years ended September 30, 2023 and 2022, the amounts received were \$14,347,358 and \$10,263,888 net of known reversions, respectively. During fiscal years 2023 and 2022, the AETC received supplemental appropriations from the State of Alabama General Fund of \$681,713 and \$500,000, respectively.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 3 - CORPORATION FOR PUBLIC BROADCASTING

APT received grants from the Corporation for Public Broadcasting for the years ended September 30, 2023 and 2022 as follows:

Summarized by category:

2023	TELEVISION	RADIO	TOTAL
Community Service Grant	\$ 1,919,566	\$ 120,558	\$ 2,040,124
Interconnection Grant	34,539	-	34,539
Distance Service Grant	285,000	-	285,000
Universal Service Support Grant	68,095	-	68,095
Ready to Learn	87,178	-	87,178
	<u>\$ 2,394,378</u>	<u>\$ 120,558</u>	<u>\$ 2,514,936</u>

2022	TELEVISION	RADIO	TOTAL
Community Service Grant	\$ 1,903,694	\$ 119,014	\$ 2,022,708
Interconnection Grant	34,986	-	34,986
Distance Service Grant	279,000	-	279,000
Universal Service Support Grant	66,705	-	66,705
Ready to Learn	43,433	-	43,433
	<u>\$ 2,327,818</u>	<u>\$ 119,014</u>	<u>\$ 2,446,832</u>

NOTE 4 - CONTRIBUTIONS

APT receives contributions from individual donors. The total amounts received during fiscal years 2023 and 2022 are summarized as follows:

	TELEVISION	RADIO	TOTAL
2023	<u>\$ 3,954,506</u>	<u>\$ 512,348</u>	<u>\$ 4,466,854</u>
2022	<u>\$ 2,826,934</u>	<u>\$ 489,569</u>	<u>\$ 3,316,503</u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 5 - UNDERWRITING GRANTS AND CONTRIBUTIONS

Alabama Public Television receives underwriting grants and contributions from businesses, universities, and foundations. The total amounts received during fiscal years 2023 and 2022, which were all without donor restrictions were:

	<u>TELEVISION</u>	<u>RADIO</u>	<u>TOTAL</u>
2023	\$ 776,210	\$ 202,647	\$ 978,857
2022	\$ 660,963	\$ 269,486	\$ 930,449

NOTE 6 – LEASING ACTIVITIES – ARRANGEMENTS WHEREIN THE APT IS THE LESSEE

APT has entered into several operating leases, which expire on various dates through January 2032, for certain facilities, transmitter sites and equipment. The annual rental payments on these leases amounted to \$450,091 and \$433,730 for the years ended September 30, 2023 and 2022, respectively.

The following summarizes the line items in the combined statement of net position which include amounts for operating leases as of September 30:

	2023
Operating Leases	
Right of use assets – operating leases	\$ <u>3,380,214</u>
Current portion of operating lease liability	363,395
Long-term operating lease liability	<u>3,075,035</u>
Total operating lease liability	\$ <u>3,438,430</u>

The following summarizes the weighted average remaining lease term and discount rate as of September 30:

	2023
Weighted Average Remaining Lease Term	
Operating leases	8.02 years
Weighted Average Discount Rate	
Operating leases	3.70%

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 6 – LEASING ACTIVITIES – ARRANGEMENTS WHEREIN THE APT IS THE LESSEE - CONTINUED

The maturities of lease liabilities as of September 30, 2023 were as follow:

	Operating
Year Ending September 30,	
2024	\$ 482,858
2025	493,948
2026	465,118
2027	468,537
2028	456,567
Thereafter	<u>1,620,734</u>
Total undiscounted cash flows	3,987,762
Less: present value discount	<u>(549,332)</u>
Present value of lease liabilities	<u>\$ 3,438,430</u>

The following summarizes the line items in the combined statement of functional expenses which include the components of lease expense for the year ended September 30:

	2023
Operating lease expense included in:	\$
Rentals & Leases – Programming and Production	31,696
Rentals & Leases – Broadcasting	1,403
Rentals & Leases – Management and General	<u>475,208</u>
Total	<u>\$ 508,307</u>

In addition to amounts noted above, APT had short-term lease expense, variable costs and in-kind expenses of \$84,225 for the year which are presented in the combined statement of functional expenses.

The following summarizes cash flow information related to leases for the year ended September 30:

	2023
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 449,079
Lease assets obtained in exchange for lease obligations:	
Operating leases	\$ 3,757,046

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 7 – LEASING ACTIVITIES – ARRANGEMENTS WHEREIN THE ORGANIZATION IS THE LESSOR

APT receives lease income as the lessor for certain tower space. The remaining term on existing leases ranges up to 5 years. Lease income is generally fixed over the duration of the contract and each lease contract contains clauses permitting extension or termination. Lease incentives and options for purchase of the leased asset by the lessee are generally not included.

APT is party to operating leases only and currently does not have sales-type or direct financing leases. Lease income is included within tower space and other rental in the accompanying combined statements of activities.

Property underlying operating leases is included in transmission equipment and towers on the accompanying combined statements of net position. Transmission equipment and towers as noted on the combined statement of net position includes towers, components and other equipment that are used for APT operations and not part of the leased assets. Transmission equipment and towers totaled \$29,864,436 and \$11,748,369, on a gross and net basis, respectively, as of September 30, 2023. Depreciation expense for such assets was \$1,722,766 and \$1,212,298 for the years ended September 30, 2023 and 2022.

The following is a schedule of minimum future rentals on non-cancelable operating leases with original terms of one year or longer.

2024	\$	387,146
2025		241,831
2026		45,789
2027		27,799
2028		28,633
Thereafter		21,954
	\$	<u>753,152</u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 8 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made up of the following amounts as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
State accounts	\$ 10,696,637	\$ 7,506,299
Checking accounts	5,507,271	5,101,743
Money market	106,442	140,377
Petty cash	1,000	1,000
	<u>\$ 16,311,350</u>	<u>\$ 12,749,419</u>

NOTE 9 – INVESTMENTS

The AETFA has several investment securities that are carried at fair value with unrealized gains and losses being recorded in the combined statement of activities.

September 30, 2023

	<u>Cost</u>	<u>Market Value</u>	<u>Market Value Over / (Under) Cost</u>
Common Stock	\$ 1,472,220	\$ 2,002,733	\$ 530,513
Exchange & Traded Closed End	72,317	27,887	(44,430)
Mutual Funds	3,759,685	4,353,858	594,173
	<u>\$ 5,304,222</u>	<u>\$ 6,384,478</u>	<u>\$ 1,080,256</u>

September 30, 2022

	<u>Cost</u>	<u>Market Value</u>	<u>Market Value Over / (Under) Cost</u>
Common Stock	\$ 1,466,745	\$ 1,727,420	\$ 260,675
Exchange & Traded Closed End	71,676	25,440	(46,236)
Mutual Funds	3,575,398	3,863,331	287,933
	<u>\$ 5,113,819</u>	<u>\$ 5,616,191</u>	<u>\$ 502,372</u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 9 – INVESTMENTS – CONTINUED

Investment income is composed of the following for the years ended September 30, 2023 and 2022:

September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 191,497	\$ 35,315	\$ 226,812
Net unrealized gains (losses)	(54,543)	14,848	(39,695)
Net realized gains (losses)	312,809	73,576	386,385
Investment expense	(50,233)	(17,396)	(67,629)
	<u>\$ 399,530</u>	<u>\$ 106,343</u>	<u>\$ 505,873</u>

September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 292,746	\$ 67,523	\$ 360,269
Net unrealized gains (losses)	(268,730)	(63,861)	(332,591)
Net realized gains (losses)	(834,275)	(233,551)	(1,067,826)
Investment expense	(38,132)	(10,269)	(48,401)
	<u>\$ (848,391)</u>	<u>\$ (240,158)</u>	<u>\$ (1,088,549)</u>

Financial instruments, which potentially subject APT to concentration of credit risk, consist principally of temporary cash investments, certificates of deposit and repurchase agreements. APT places its temporary cash and other investments with high-credit, quality institutions and securities dealers, which may exceed federally and privately insured amounts at times. APT does not believe that it is exposed to any significant credit risk or uninsured amounts.

The following is a summary of the inputs used as of September 30, 2023 and 2022 in valuing AETFA's investments carried at fair value.

Investments in common stock, exchange & traded closed end, money funds, and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 9 – INVESTMENTS – CONTINUED

September 30, 2023

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Common Stock	\$ 2,002,733	\$ -	\$ -	\$ 2,002,733
Exchange & Traded				
Closed End	27,887	-	-	27,887
Mutual Funds	4,353,858	-	-	4,353,858
Total Investments	<u>\$ 6,384,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,384,478</u>

September 30, 2022

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Common Stock	\$ 1,727,420	\$ -	\$ -	\$ 1,727,420
Exchange & Traded				
Closed End	25,440	-	-	25,440
Mutual Funds	3,863,331	-	-	3,863,331
Total Investments	<u>\$ 5,616,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,616,191</u>

NOTE 10 – ENDOWMENTS

AETFA's endowment consists of several individual donor-restricted funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. On January 1, 2009, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) was effective for the State of Alabama.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 10 – ENDOWMENTS – CONTINUED

Interpretation of Relevant Law

The Board of Directors of the AETFA has concluded that absent explicit donor stipulations to the contrary, fiduciary standards require the preservation of the “historic dollar value” of donor-restricted endowment funds. “Historic dollar value” as to any donor-restricted endowment fund means the aggregate fair value of (a) the original value of gifts donated to such fund, (b) the original value of subsequent gifts to such fund, and (c) accumulations to such fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accordingly, the AETFA classifies the historic dollar value of a donor-restricted endowment fund as net assets with donor restrictions.

Income and appreciation generated from the endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the AETFA in a manner consistent with the standard of prudence prescribed in Alabama UPMIFA. Notwithstanding the foregoing accounting classifications, unless the gift instrument creating a donor-restricted endowment fund expressly provides otherwise, the Board of the AETFA may, as provided in Alabama UPMIFA, from time to time, appropriate for expenditure such portion of the net assets with donor restrictions as the Board of the AETFA determines is prudent. There have been no significant appropriations of endowment assets for expenditure for the years ended September 30, 2023 and 2022.

Return Objectives, Risk Parameters and Strategies

AETFA’s Board of Trustees has adopted investment and spending policies for endowment assets that attempt to achieve the long-term investment objectives of:

- (1) Preservation of Capital – To minimize the probability of loss of principal over the investment horizon. Emphasis is placed on minimizing return volatility rather than maximizing total return.
- (2) Preservation of Purchasing Power After Spending – To achieve returns in excess of the rate of inflation plus spending over the investment horizon in order to preserve purchasing power of Fund assets. Risk control is an important element in the investment of Fund assets.
- (3) Income and Growth – To achieve a balanced return of current income and modest growth of principal.

Investment management of the assets of the Alabama Educational Television Foundation Authority’s endowments shall be in accordance with the following asset allocation guidelines:

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 10 – ENDOWMENTS – CONTINUED

Aggregate Fund Asset Allocation Guidelines (at market value)

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Large Cap Equities	25%	40%	30%
Small Mid Cap Equities	2%	10%	6%
International Equities	7%	20%	12%
Emerging Market Equities	5%	10%	7%
Fixed Income	15%	30%	20%
Cash & Equivalents	2%	10%	3%
Alternative	10%	25%	22%

For the purposes of the above asset allocation guidelines, Fixed Income and Cash & Equivalents shall be merged to establish a combined threshold for minimum, maximum and preferred percentages. Only if the combined investments in Fixed Income and Cash & Equivalents is less than the combined minimum or exceeds the combined maximum, should the investment consultant be required to reallocate investments to align with the above asset allocation guidelines.

Allowable assets include the following:

- (1) Cash Equivalents: treasury bills, money market funds, commercial paper and certificates of deposit
- (2) Fixed Income Securities: U.S. Government and Agency securities, corporate notes and bonds, mortgage-backed bonds, and preferred stock
- (3) Equity Securities: common stock, convertible notes and bonds, convertible preferred stocks, American depository receipts (ADRs) of non-U.S. companies, and stocks of non-U.S. companies (ordinary shares)
- (4) Mutual Funds: mutual funds, which invest in securities as allowed in this listing
- (5) Other Assets: real estate investments, venture-capital investments, private placements, options (only in a managed account or mutual fund that employs a conservative investment objective)

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 10 – ENDOWMENTS – CONTINUED

Aggregate Fund Asset Allocation Guidelines (at market value) - Continued

Fixed income investments may be invested only in investment grade bonds rated A (or equivalent) or better. Fixed income maturity restrictions are as follows: maturities may range from 2 – 15 years and the weighted average portfolio maturity may range from 5 – 8 years.

Money market funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's.

The Board of Directors does not believe it is necessary or desirable that securities held in the Funds represent a cross section of the economy. However, to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 5% of the total fund, and no more than 10% of the total fund should be invested in any one industry.

The following assets and/or transactions are prohibited: commodities and futures contracts, limited partnerships, and short selling (except in a managed account or mutual fund, which employs a conservative investment objective).

Spending Policy

The Board of Directors expects distributions to equal up to 50% of the anticipated growth, net of inflation annually.

It is anticipated that Endowment Fund distributions will increase by an undetermined amount over the next several years. Distributions from the Endowment Fund are to be generated from portfolio principal (total return as opposed to portfolio income) and may occur on an annual basis, as needed.

The Board of Directors will attempt to balance the Endowment Fund's shorter-term expenditures with its goal to provide income into perpetuity, and therefore design a spending policy, which is very flexible. The Board of Trustees may authorize spending of up to one-half the net rate of return after inflation over 16 rolling quarters.

The net return available for spending from quasi-endowments may be used for purposes determined by the Executive Director of APT. Each quasi-endowment may be dissolved, and the principal made available for use by APT by a future resolution and vote of the Board should such action support the ongoing mission of APT.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 10 – ENDOWMENTS – CONTINUED

From time to time, certain donor restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of the AETFAs has interpreted the UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law.

The following analysis shows the changes in the endowment net assets for the year ended September 30, 2023 and 2022:

September 30, 2023			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,508,984	\$ 1,013,475	\$ 2,522,459
Endowment gifts received	217,178	-	217,178
Endowment withdrawal for production support	-	-	-
Investment return, net	151,441	106,343	257,784
	<u>\$ 1,877,603</u>	<u>\$ 1,119,818</u>	<u>\$ 2,997,421</u>

September 30, 2022			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,852,222	\$ 1,253,633	\$ 3,105,855
Endowment withdrawal for production support	-	-	-
Investment return, net	(343,238)	(240,158)	(583,396)
	<u>\$ 1,508,984</u>	<u>\$ 1,013,475</u>	<u>\$ 2,522,459</u>

Funds with original gift values of \$508,506 and fair values of \$1,119,818 on September 30, 2023 and \$1,013,475 on September 30, 2022 were included in net position with donor restrictions for the respective reporting period.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 11 - IN-KIND SERVICES AND SUPPORT

APT receives significant support for their operations at no cost to the organization. APT's policy related to in-kind support is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow the organization to utilize it in its normal course of business, the asset will be sold at its fair market value. In-kind services and support are recorded as income and expense in the combined statement of activities. Donated fixed asset additions are recorded as income and capitalized as fixed assets on the combined statement of net position.

The following categories show the various types of services and support provided to APT for the years ended September 30, 2023 and 2022:

2023	Television	Radio	Total
Advertising	\$ 11,224	\$ 1,399	\$ 12,623
Operating expenses	-	5,212	5,212
Fundraising	-	15,517	15,517
Land lease	48,000	-	48,000
	<u>\$ 59,224</u>	<u>\$ 22,128</u>	<u>\$ 81,352</u>
 2022	 Television	 Radio	 Total
Advertising	\$ 11,152	\$ 1,706	\$ 12,858
Operating expenses	10,000	2,300	12,300
Fundraising	-	13,232	13,232
Land lease	48,000	-	48,000
	<u>\$ 69,152</u>	<u>\$ 17,238</u>	<u>\$ 86,390</u>

APT was provided advertising space within several publications at no cost to the organization. Based upon current market rates, APT would have paid \$12,623 and \$12,858 for these services during the fiscal years ended September 30, 2023 and 2022.

WLRH-FM was provided with the use of a copier. Based on current rental rates, WLRH-FM would have paid \$3,185 and \$2,300 for the use during the fiscal years ending September 30, 2023 and 2022.

WLRH-FM was provided with coffee and tea. Based on the current retail rates, WLRH-FM would have paid \$1,787 during the fiscal year ending September 30, 2023.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 11 - IN-KIND SERVICES AND SUPPORT - CONTINUED

WLRH-FM was provided with conference registrations that were used in the fiscal year ending September 30, 2023. WLRH-FM would have paid \$240 for these fees.

During fiscal year 2022, APT was donated a table for its attendee to the Alabama Humanities Association annual luncheon. The tables were available to other organizations for \$10,000.

APT received donated items to be used in fundraising events with an estimated fair market value of \$15,517 and \$13,232 for the fiscal years ended September 30, 2023 and 2022.

APT television operations received donated rent for land upon where one of its studio and transmitter locations reside. Based upon market rates for land leases, the organization estimates the value of the donated land lease to be \$48,000 for the fiscal years ended September 30, 2023 and 2022.

All in-kind support received by APT for the years ended September 30, 2023 and 2022 were considered without donor restrictions and able to be used by APT as determined by the board of directors and management.

NOTE 12 - EMPLOYEE BENEFIT PLAN

AETFA began sponsoring a 401k employee benefit plan in January 2018. Prior to this, AETFA sponsored a Simple IRA employee benefit plan. The plan is for the benefit of substantially all the employees of AETFA. Any employee who is expected to earn more than \$5,000 is eligible to participate. AETFA makes an employer contribution match of up to 4% of participating employees' salaries.

AETC participates in the State of Alabama's Employees' Retirement System (ERS). Participation is mandatory for employees of AETC who qualify. The employee contribution rate is 7.5% of salary for employees who began before January 1, 2013. The employee contribution rate is 6% for an employee hired after January 1, 2013 who had no prior service with AETC or another state agency.

The following shows the employer contributions for 2023 and 2022:

	<u>2023</u>	<u>2022</u>
AETFA	\$ 91,508	\$ 78,693
AETC	<u>358,521</u>	<u>323,624</u>
	<u>\$ 450,029</u>	<u>\$ 402,317</u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 13 – CONCENTRATION OF CREDIT RISK

APT maintains its cash with a financial institution that is insured by the Federal Deposit Insurance Corporation up to \$250,000 per group, per trustee as of September 30, 2023 and 2022. Cash deposits at times during the year may exceed the limits of coverage.

Credit risk for accounts receivable is considered concentrated on September 30, 2023. Most of the accounts receivable are represented by agencies of the State of Alabama which account for 50% of amounts due. The remainder is spread across various corporate support contract which comprise 13.8% of the balance, the Corporation for Public Broadcasting accounts for 12.5%, federal agencies which comprise 10%, and the remaining 13.7% is due from various other businesses and APT employees. On September 30, 2022, the concentration was predominately due from the State of Alabama which represented 77% with the remainder being primarily from corporate supporters with 11.5% and the Corporation for Public Broadcasting with 5%, federal agencies with 4.5%, and the remaining 2% from various other businesses and APT employees.

NOTE 14 – CONCENTRATION OF REVENUE SOURCES

As of September 30, 2023 and 2022, approximately 71% and 73%, respectively, of APT's revenue, excluding in-kind contributions, is derived from appropriations from the State of Alabama Education Trust Fund and a grant from the Corporation for Public Broadcasting. The appropriation and grant are renewed annually. The current level of APT's operations and program services would be impacted or segments discontinued if the funding is not renewed.

NOTE 15 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions during the years ended September 30, 2023 and 2022 in satisfaction of the following purposes:

	<u>2023</u>	<u>2022</u>
State appropriation - Educational Trust Fund	\$ 5,093,791	\$ 8,256,709
State appropriation - General Fund	254,033	-
ARPA grant - Corporation for Public Broadcasting	21,940	15,113
	<u>\$ 5,369,764</u>	<u>\$ 8,271,822</u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Unexpended state appropriation-Education Trust Fund	\$ 8,121,094	\$ 5,093,791
Unexpended state appropriation-General Fund	927,680	500,000
Unexpended ARPA funds from CPB	749,751	771,691
Income earned on restricted endowments	611,311	504,969
 Not available for expenditure:		
Restricted endowment funds	<u>508,506</u>	<u>508,506</u>
	<u><u>\$ 10,918,342</u></u>	<u><u>\$ 7,378,957</u></u>

NOTE 17 – FEDERAL COMMUNICATION COMMISSION REPACKING PROJECT

In 2012, Congress authorized the Federal Communications Commission (FCC) to realign use of the public airwaves with 21st century consumer demands for video and broadband services via the Spectrum Act. APT was notified on April 13, 2017 that three of its broadcast stations would be assigned new channel numbers. WGIQ was in FCC phase 1 and was completed before the required date of November 30, 2018. WEIQ was in FCC phase 7 and was completed in October of 2019 which was before the required phase completion date of January 17, 2020. WCIQ was in FCC phase 10 and was completed in June 2020 which was before the phase completion date of July 3, 2020. The act requires the FCC to reimburse the reasonable costs incurred to transition to the new channels. APT received \$200 during fiscal year 2022. These reimbursements complete this project.

NOTE 18 – FINANCIAL ASSETS AND LIQUIDITY

APT's financial assets available within one year of the combined statement of net position date for general expenditure are as follows.

Cash and cash equivalents	\$ 16,311,350
Accounts receivable	416,508
Investments	<u>5,264,660</u>
Total	<u><u>\$ 21,992,518</u></u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2023 and 2022

NOTE 18 – FINANCIAL ASSETS AND LIQUIDITY - CONTINUED

A portion of the investments shown on the combined statements of net position consist of donor-restricted endowments that are restricted for specific purposes and, therefore, are not available for general expenditure. APT has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, APT invests cash in excess of daily requirements in various short-term investments.

NOTE 19 – METHODS USED FOR THE ALLOCATION OF EXPENSES FROM MANAGEMENT AND GENERAL ACTIVITIES

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of APT. Those expenses include salary, wages, and benefits, travel, rentals and leases, utilities, professional services, and supplies and other operating costs. Salary, wages, and benefits and professional services are allocated based on estimates of time and effort. The other expenses are allocated based on their usage for the specific programs or supporting functions.

NOTE 20 – STATE OF ALABAMA EDUCATIONAL TRUST FUND AND GENERAL FUND APPROPRIATIONS

During the 2023 legislative session, the State of Alabama passed legislation providing supplemental appropriations to several state agencies from the Education Trust Fund and the General Fund. Act 2023-378 related to the Education Trust Fund was signed by Governor Kay Ivey on June 1, 2023. The Alabama Educational Television Commission received an additional \$2,500,000 from this legislation. According to section 1 paragraph 34 of the Act, the funds are to be expended to establish a tower in west Alabama. Act 2023-381 related to the General Fund was also signed by Governor Ivey on June 1, 2023. The Alabama Educational Television Commission received an additional \$500,000 from this legislation according to section 2 paragraph 17 of the Act.

On February 2, 2023, the Alabama Educational Television Commission received an additional appropriation from the General Fund. This appropriation was authorized by the Director of Finance, Bill Pool, from the Departmental Emergency Fund. Per the authorization letter, the funds are to be used “for a new partnership with the Alabama High School Athletic Association for costs associated with the broadcast of football championship games.”

SUPPLEMENTAL INFORMATION

ALABAMA PUBLIC TELEVISION
Combining Schedule of Net Position by Legal Entity
As of September 30, 2023

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>Eliminations</u>	<u>APT COMBINED</u>
ASSETS					
Cash and cash equivalents					
State accounts	\$ 10,696,637	\$ -	\$ -	\$ -	\$ 10,696,637
AETFA	-	3,994,774	-	-	3,994,774
Money market	-	106,442	-	-	106,442
APTF	-	-	1,513,497	-	1,513,497
TOTAL CASH	<u>10,696,637</u>	<u>4,101,216</u>	<u>1,513,497</u>	<u>-</u>	<u>16,311,350</u>
Other current assets					
Investments	-	6,384,478	-	-	6,384,478
Accounts receivables	96,487	306,609	13,412	-	416,508
Intercompany due from	-	45,710	-	(45,710)	-
Prepaid expenses	294,885	286,380	15,477	-	596,742
TOTAL OTHER CURRENT ASSETS	<u>391,372</u>	<u>7,023,177</u>	<u>28,889</u>	<u>(45,710)</u>	<u>7,397,728</u>
TOTAL CURRENT ASSETS	<u>11,088,009</u>	<u>11,124,393</u>	<u>1,542,386</u>	<u>(45,710)</u>	<u>23,709,078</u>
PROPERTY AND EQUIPMENT					
Land	280,645	609,596	-	-	890,241
Transmission equipment and towers	30,449,603	1,691	-	-	30,451,294
Equipment	8,040,095	60,126	-	-	8,100,221
Furniture and fixtures	345,729	126,993	-	-	472,722
Buildings	4,356,770	1,329,101	-	-	5,685,871
Vehicles	582,354	148,717	-	-	731,071
TOTAL PROPERTY AND EQUIPMENT	<u>44,055,196</u>	<u>2,276,224</u>	<u>-</u>	<u>-</u>	<u>46,331,420</u>
Less: Accumulated depreciation	<u>29,449,068</u>	<u>1,161,733</u>	<u>-</u>	<u>-</u>	<u>30,610,801</u>
NET PROPERTY AND EQUIPMENT	<u>14,606,128</u>	<u>1,114,491</u>	<u>-</u>	<u>-</u>	<u>15,720,619</u>
RIGHT OF USE ASSETS - OPERATING	<u>3,349,415</u>	<u>30,799</u>	<u>-</u>	<u>-</u>	<u>3,380,214</u>
TOTAL ASSETS	<u>\$ 29,043,552</u>	<u>\$ 12,269,683</u>	<u>\$ 1,542,386</u>	<u>\$ (45,710)</u>	<u>\$ 42,809,911</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Combining Schedule of Net Position by Legal Entity (Continued)
As of September 30, 2023

	AETC	AETFA	APTF	Eliminations	APT COMBINED
LIABILITIES AND NET POSITION					
Accounts payable	\$ 706,590	\$ 234,564	\$ 96,571	\$ -	\$ 1,037,725
Intercompany due to	41,970	-	3,740	(45,710)	-
Accrued salary and benefits	621,382	250,166	-	-	871,548
Other current liabilities	-	23,000	-	-	23,000
Unearned revenue	24,121	224,032	-	-	248,153
Current portion of operating lease liability	347,491	15,904	-	-	363,395
TOTAL CURRENT LIABILITIES	1,741,554	747,666	100,311	(45,710)	2,543,821
Accrued salary and benefits - long term	182,838	220,463	-	-	403,301
Long-term operating lease liability	3,059,446	15,589	-	-	3,075,035
TOTAL NON CURRENT LIABILITIES	3,242,284	236,052	-	-	3,478,336
TOTAL LIABILITIES	4,983,838	983,718	100,311	(45,710)	6,022,157
NET POSITION					
Net assets without donor restrictions	15,010,940	9,416,397	1,442,075	-	25,869,412
Net assets with donor restrictions	9,048,774	1,869,568	-	-	10,918,342
TOTAL NET POSITION	24,059,714	11,285,965	1,442,075	-	36,787,754
TOTAL LIABILITIES AND NET POSITION	\$ 29,043,552	\$ 12,269,683	\$ 1,542,386	\$ (45,710)	\$ 42,809,911

See auditor's report.

ALABAMA PUBLIC TELEVISION
Combining Schedule of Activities by Legal Entity
For the Year Ended September 30, 2023

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>APT COMBINED</u>
CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS				
SUPPORT AND REVENUES				
Appropriations - State of Alabama	\$ 6,226,264	\$ -	\$ -	\$ 6,226,264
Corporation for Public Broadcasting	-	2,514,936	-	2,514,936
Contributions	89,066	1,570,742	2,807,046	4,466,854
Telecasting production and other income	25	32,875	-	32,900
Tower space and other rental	386,603	-	-	386,603
Grants and contracts	107	765,908	-	766,015
Underwriting grants and contributions	-	978,857	-	978,857
Investment gain	-	399,530	-	399,530
Interest income	-	137,313	19,772	157,085
In-kind support	48,000	33,352	-	81,352
Insurance Proceeds	-	5,696	-	5,696
Other income	7,263	-	-	7,263
Net position released from restrictions	<u>5,347,824</u>	<u>21,940</u>	<u>-</u>	<u>5,369,764</u>
TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	<u>12,105,152</u>	<u>6,461,149</u>	<u>2,826,818</u>	<u>21,393,119</u>
EXPENSES				
Program Services:				
Programming and production	4,288,328	3,972,981	177,104	8,438,413
Broadcasting	2,515,706	388,474	-	2,904,180
Program information	<u>322,589</u>	<u>467,508</u>	<u>-</u>	<u>790,097</u>
Total Program Services	<u>7,126,623</u>	<u>4,828,963</u>	<u>177,104</u>	<u>12,132,690</u>
Supporting Services:				
Management and general	2,232,685	903,002	8,915	3,144,602
Fundraising	3,723	585,291	910,302	1,499,316
Underwriting	-	213,931	5,831	219,762
Depreciation	<u>2,148,445</u>	<u>72,700</u>	<u>-</u>	<u>2,221,145</u>
Total Supporting Services	<u>4,384,853</u>	<u>1,774,924</u>	<u>925,048</u>	<u>7,084,825</u>
TOTAL EXPENSES	\$ 11,511,476	\$ 6,603,887	\$ 1,102,152	\$ 19,217,515

See auditor's report.

ALABAMA PUBLIC TELEVISION
Combining Schedule of Activities by Legal Entity (Continued)
For the Year Ended September 30, 2023

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>APT COMBINED</u>
CHANGE IN NET POSITION WITHOUT DONOR RESTRICTIONS - CONTINUED				
Loss on disposal of fixed assets	\$ (4,072)	\$ -	\$ -	\$ (4,072)
Interdepartmental transfers	<u>1,152</u>	<u>2,330,870</u>	<u>(2,332,022)</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION WITHOUT DONOR RESTRICTIONS	<u>590,756</u>	<u>2,188,132</u>	<u>(607,356)</u>	<u>2,171,532</u>
CHANGES IN NET POSITION WITH DONOR RESTRICTIONS				
Appropriation - State of Alabama Education Trust Fund	8,121,094	-	-	8,121,094
Appropriation - State of Alabama General Fund	681,713	-	-	681,713
Investment gain	-	106,343	-	106,343
Net position released from restrictions	(5,347,824)	(21,940)	-	(5,369,764)
INCREASE IN NET POSITION WITH DONOR RESTRICTIONS	<u>3,454,983</u>	<u>84,403</u>	<u>-</u>	<u>3,539,386</u>
INCREASE (DECREASE) IN NET POSITION	<u>4,045,739</u>	<u>2,272,535</u>	<u>(607,356)</u>	<u>5,710,918</u>
NET POSITION - BEGINNING OF YEAR	<u>20,013,975</u>	<u>9,013,430</u>	<u>2,049,431</u>	<u>31,076,836</u>
NET POSITION - END OF YEAR	<u>\$ 24,059,714</u>	<u>\$ 11,285,965</u>	<u>\$ 1,442,075</u>	<u>\$ 36,787,754</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Statement of Functional Expenses by Legal Entity
For the Year Ended September 30, 2023

Alabama Educational Television Commission (AETC)

	Program Activities				Supporting Activities					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, Wages, and Benefits	\$ 694,592	\$ 1,209,401	\$ 321,464	\$ 2,225,457	\$ 1,279,567	\$ -	\$ -	\$ -	\$ 1,279,567	\$ 3,505,024
Travel	10,841	44,601	-	55,442	16,996	-	-	-	16,996	72,438
Repairs & Maintenance	38,380	139,564	-	177,944	308	-	-	-	308	178,252
Rentals & Leases	3,136,170	20,816	-	3,156,986	480,096	-	-	-	480,096	3,637,082
Utilities	54,595	808,397	-	862,992	98,624	-	-	-	98,624	961,616
Professional Services	21,367	227,932	-	249,299	66,143	-	-	-	66,143	315,442
Supplies & Other Operating	332,383	64,995	1,125	398,503	290,951	3,723	-	-	294,674	693,177
Depreciation	-	-	-	-	-	-	-	2,148,445	2,148,445	2,148,445
	<u>\$ 4,288,328</u>	<u>\$ 2,515,706</u>	<u>\$ 322,589</u>	<u>\$ 7,126,623</u>	<u>\$ 2,232,685</u>	<u>\$ 3,723</u>	<u>\$ -</u>	<u>\$ 2,148,445</u>	<u>\$ 4,384,853</u>	<u>\$ 11,511,476</u>

Alabama Educational Television Foundation Authority (AETFA)

	Program Activities				Supporting Activities					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, Wages, and Benefits	\$ 2,182,365	\$ 125,364	\$ 246,764	\$ 2,554,493	\$ 427,050	\$ 466,927	\$ 213,926	\$ -	\$ 1,107,903	\$ 3,662,396
Travel	86,352	21,359	7,920	115,631	27,484	-	5	-	27,489	143,120
Repairs & Maintenance	4,654	25,969	-	30,623	14,602	12,351	-	-	26,953	57,576
Rentals & Leases	991,525	7,624	128	999,277	3,419	-	-	-	3,419	1,002,696
Utilities	29,744	21,730	37,141	88,615	10,341	3,249	-	-	13,590	102,205
Professional Services	229,983	168,428	72,094	470,505	125,231	57,418	-	-	182,649	653,154
Supplies & Other Operating	448,358	18,000	103,461	569,819	294,875	45,346	-	-	340,221	910,040
Depreciation	-	-	-	-	-	-	-	72,700	72,700	72,700
	<u>\$ 3,972,981</u>	<u>\$ 388,474</u>	<u>\$ 467,508</u>	<u>\$ 4,828,963</u>	<u>\$ 903,002</u>	<u>\$ 585,291</u>	<u>\$ 213,931</u>	<u>\$ 72,700</u>	<u>\$ 1,774,924</u>	<u>\$ 6,603,887</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Statement of Functional Expenses by Legal Entity (Continued)
For the Year Ended September 30, 2023

APT Foundation (APTF)

	Program Activities				Supporting Activities					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, Wages, and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	5,698	2,348	-	8,046	8,046
Repairs & Maintenance	-	-	-	-	-	23,564	-	-	23,564	23,564
Rentals & Leases	-	-	-	-	125	311	68	-	504	504
Utilities	-	-	-	-	-	89,232	1,281	-	90,513	90,513
Professional Services	177,104	-	-	177,104	1,225	540,012	-	-	541,237	718,341
Supplies & Other Operating	-	-	-	-	7,565	251,485	2,134	-	261,184	261,184
Depreciation	-	-	-	-	-	-	-	-	-	-
	<u>\$ 177,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,104</u>	<u>\$ 8,915</u>	<u>\$ 910,302</u>	<u>\$ 5,831</u>	<u>\$ -</u>	<u>\$ 925,048</u>	<u>\$ 1,102,152</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Combining Schedule of Cash Flows by Legal Entity
For the Year Ended September 30, 2023

	AETC	AETFA	APTF	Total APT
CASH FLOWS FROM OPERATIONS				
Change in net position	\$ 4,045,739	\$ 2,272,535	\$ (607,356)	\$ 5,710,918
Add items not requiring an outlay of cash:				
Depreciation	2,148,445	72,700	-	2,221,145
Amortization of right of use asset - operating leases	506,904	1,403	-	508,307
Operating lease obligation	(449,382)	(709)	-	(450,091)
Net realized and unrealized loss on investments	-	(346,690)	-	(346,690)
Contributions of marketable securities	-	(11,302)	-	(11,302)
Net realized loss on sale of fixed assets	4,072	-	-	4,072
Contributions of property	(1,154)	-	-	(1,154)
Distributions of property	-	1,154	-	1,154
Change in assets and liabilities				
Accounts receivable decrease (increase)	(57,544)	73,998	(9,336)	7,118
Prepaid expense decrease (increase)	145,090	(44,014)	-	101,076
Accounts payable increase (decrease)	206,366	(129,449)	(79,530)	(2,613)
Accrued expenses increase (decrease)	93,027	(44,521)	-	48,506
Other current liabilities increase	-	4,747	-	4,747
Unearned revenue increase (decrease)	144	100,359	(60,000)	40,503
Intercompany net decrease (increase)	376,294	(1,583,168)	1,206,874	-
NET CASH PROVIDED FROM OPERATIONS	<u>7,018,001</u>	<u>367,043</u>	<u>450,652</u>	<u>7,835,696</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	-	1,117,206	-	1,117,206
Purchases of investments	-	(1,527,501)	-	(1,527,501)
Proceeds from sale of fixed assets	40,458	-	-	40,458
Purchases of fixed assets	(3,868,121)	(35,807)	-	(3,903,928)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(3,827,663)</u>	<u>(446,102)</u>	<u>-</u>	<u>(4,273,765)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,190,338	(79,059)	450,652	3,561,931
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>7,506,299</u>	<u>4,180,275</u>	<u>1,062,845</u>	<u>12,749,419</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,696,637</u>	<u>\$ 4,101,216</u>	<u>\$ 1,513,497</u>	<u>\$ 16,311,350</u>
NONCASH INVESTING ACTIVITIES				
Right of use asset - operating leases obtained in exchange for new operating lease obligations	<u>\$ 3,725,684</u>	<u>\$ 31,362</u>	<u>\$ -</u>	<u>\$ 3,757,046</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Net Position
As of September 30, 2023

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
ASSETS			
Cash and cash equivalents			
State accounts	\$ 10,696,637	\$ -	\$ 10,696,637
AETFA	3,807,005	187,769	3,994,774
Money market	106,442	-	106,442
APTF	1,513,497	-	1,513,497
TOTAL CASH	<u>16,123,581</u>	<u>187,769</u>	<u>16,311,350</u>
Other current assets			
Investments	6,384,478	-	6,384,478
Accounts receivables	365,553	50,955	416,508
Prepaid expenses	581,745	14,997	596,742
TOTAL OTHER CURRENT ASSETS	<u>7,331,776</u>	<u>65,952</u>	<u>7,397,728</u>
TOTAL CURRENT ASSETS	<u>23,455,357</u>	<u>253,721</u>	<u>23,709,078</u>
PROPERTY AND EQUIPMENT			
Land	890,241	-	890,241
Transmission equipment and towers	29,865,036	586,258	30,451,294
Equipment	7,881,710	218,511	8,100,221
Furniture and fixtures	414,515	58,207	472,722
Buildings	5,685,871	-	5,685,871
Vehicles	719,171	11,900	731,071
In progress	-	-	-
TOTAL PROPERTY AND EQUIPMENT	<u>45,456,544</u>	<u>874,876</u>	<u>46,331,420</u>
Less: Accumulated depreciation	<u>29,990,803</u>	<u>619,998</u>	<u>30,610,801</u>
NET PROPERTY AND EQUIPMENT	<u>15,465,741</u>	<u>254,878</u>	<u>15,720,619</u>
RIGHT OF USE ASSETS - OPERATING LEASES	<u>3,338,964</u>	<u>41,250</u>	<u>3,380,214</u>
TOTAL ASSETS	<u>\$ 42,260,062</u>	<u>\$ 549,849</u>	<u>\$ 42,809,911</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Net Position (Continued)
As of September 30, 2023

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
LIABILITIES AND NET POSITION			
Accounts payable	\$ 915,696	\$ 122,029	\$ 1,037,725
Accrued salary and benefits	811,920	59,628	871,548
Other current liabilities	23,000	-	23,000
Unearned revenue	244,545	3,608	248,153
Current portion of operating lease liability	345,532	17,863	363,395
TOTAL CURRENT LIABILITIES	<u>2,340,693</u>	<u>203,128</u>	<u>2,543,821</u>
Accrued salary and benefits - long term	371,102	32,199	403,301
Long-term operating lease liability	3,051,648	23,387	3,075,035
TOTAL NON CURRENT LIABILITIES	<u>3,422,750</u>	<u>55,586</u>	<u>3,478,336</u>
TOTAL LIABILITIES	<u>5,763,443</u>	<u>258,714</u>	<u>6,022,157</u>
NET POSITION			
Net assets without donor restrictions	25,806,575	62,837	25,869,412
Net assets with donor restrictions	10,690,044	228,298	10,918,342
TOTAL NET POSITION	<u>36,496,619</u>	<u>291,135</u>	<u>36,787,754</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 42,260,062</u>	<u>\$ 549,849</u>	<u>\$ 42,809,911</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Activities
For the Year Ended September 30, 2023

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS			
SUPPORT AND REVENUES			
Appropriations - State of Alabama	\$ 5,617,476	\$ 608,788	\$ 6,226,264
Corporation for Public Broadcasting	2,394,378	120,558	2,514,936
Contributions	3,954,506	512,348	4,466,854
Telecasting production and other income	32,900	-	32,900
Tower space and other rental	386,603	-	386,603
Grants and contracts	766,015	-	766,015
Underwriting grants and contributions	776,210	202,647	978,857
Investment gain	399,530	-	399,530
Interest income	145,903	11,182	157,085
In-kind support	59,224	22,128	81,352
Insurance Proceeds	5,696	-	5,696
Other income	7,263	-	7,263
Net position released from restrictions	<u>5,369,764</u>	<u>-</u>	<u>5,369,764</u>
TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	<u>19,915,468</u>	<u>1,477,651</u>	<u>21,393,119</u>
EXPENSES			
Program Services:			
Programming and production	7,905,049	533,364	8,438,413
Broadcasting	2,770,220	133,960	2,904,180
Program information	<u>747,678</u>	<u>42,419</u>	<u>790,097</u>
Total Program Services	<u>11,422,947</u>	<u>709,743</u>	<u>12,132,690</u>
Supporting Services:			
Management and general	2,949,892	194,710	3,144,602
Fundraising	1,366,495	132,821	1,499,316
Underwriting	159,720	60,042	219,762
Depreciation	<u>2,172,046</u>	<u>49,099</u>	<u>2,221,145</u>
Total Supporting Services	<u>6,648,153</u>	<u>436,672</u>	<u>7,084,825</u>
TOTAL EXPENSES	18,071,100	1,146,415	19,217,515
Loss on disposal of fixed assets	(4,072)	-	(4,072)
Interdepartmental transfers	<u>801,617</u>	<u>(801,617)</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION WITHOUT DONOR RESTRICTIONS	<u>\$ 2,641,913</u>	<u>\$ (470,381)</u>	<u>\$ 2,171,532</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Activities (Continued)
For the Year Ended September 30, 2023

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
CHANGE IN NET POSITION WITHOUT DONOR RESTRICTIONS - CONTINUED			
INCREASE (DECREASE) IN NET POSITION WITHOUT DONOR RESTRICTIONS	\$ 2,641,913	\$ (470,381)	\$ 2,171,532
CHANGES IN NET POSITION WITH DONOR RESTRICTIONS			
Appropriation - State of Alabama Education Trust Fund	8,121,094	-	8,121,094
Appropriation - State of Alabama Education General Fund	563,166	118,547	681,713
Gain on investments	106,343	-	106,343
Net position released from restrictions	<u>(5,369,764)</u>	<u>-</u>	<u>(5,369,764)</u>
INCREASE IN NET POSITION WITH DONOR RESTRICTIONS	<u>3,420,839</u>	<u>118,547</u>	<u>3,539,386</u>
CHANGE IN NET POSITION	6,062,752	(351,834)	5,710,918
NET POSITION - BEGINNING OF YEAR	<u>30,433,867</u>	<u>642,969</u>	<u>31,076,836</u>
NET POSITION - END OF YEAR	<u><u>\$ 36,496,619</u></u>	<u><u>\$ 291,135</u></u>	<u><u>\$ 36,787,754</u></u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Statement of Functional Expenses by Operations
For the Year Ended September 30, 2023

Television Operations

	Program Activities				Supporting Activities					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, Wages, and Benefits	\$ 2,669,043	\$ 1,262,129	\$ 538,476	\$ 4,469,648	\$ 1,568,198	\$ 452,471	\$ 153,889	\$ -	\$ 2,174,558	\$ 6,644,206
Travel	94,676	65,960	7,012	167,648	44,045	5,699	2,348	-	52,092	219,740
Repairs & Maintenance	43,034	161,817	-	204,851	11,357	23,563	-	-	34,920	239,771
Rentals & Leases	3,817,576	28,440	128	3,846,144	461,303	311	69	-	461,683	4,307,827
Utilities	84,340	801,636	37,141	923,117	97,309	89,232	1,280	-	187,821	1,110,938
Professional Services	426,954	370,847	70,294	868,095	192,486	540,011	-	-	732,497	1,600,592
Supplies & Other Operating	769,426	79,391	94,627	943,444	575,194	255,208	2,134	-	832,536	1,775,980
Depreciation	-	-	-	-	-	-	-	2,172,046	2,172,046	2,172,046
	<u>\$ 7,905,049</u>	<u>\$ 2,770,220</u>	<u>\$ 747,678</u>	<u>\$ 11,422,947</u>	<u>\$ 2,949,892</u>	<u>\$ 1,366,495</u>	<u>\$ 159,720</u>	<u>\$ 2,172,046</u>	<u>\$ 6,648,153</u>	<u>\$ 18,071,100</u>

Radio Operations

	Program Activities				Supporting Activities					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, Wages, and Benefits	\$ 207,914	\$ 72,636	\$ 29,752	\$ 310,302	\$ 138,418	\$ 14,457	\$ 60,037	\$ -	\$ 212,912	\$ 523,214
Travel	2,517	-	908	3,425	434	-	5	-	439	3,864
Repairs & Maintenance	-	3,716	-	3,716	3,554	12,351	-	-	15,905	19,621
Rentals & Leases	310,118	-	-	310,118	22,337	-	-	-	22,337	332,455
Utilities	-	28,491	-	28,491	11,656	3,249	-	-	14,905	43,396
Professional Services	1,500	25,513	1,800	28,813	114	57,418	-	-	57,532	86,345
Supplies & Other Operating	11,315	3,604	9,959	24,878	18,197	45,346	-	-	63,543	88,421
Depreciation	-	-	-	-	-	-	-	49,099	49,099	49,099
	<u>\$ 533,364</u>	<u>\$ 133,960</u>	<u>\$ 42,419</u>	<u>\$ 709,743</u>	<u>\$ 194,710</u>	<u>\$ 132,821</u>	<u>\$ 60,042</u>	<u>\$ 49,099</u>	<u>\$ 436,672</u>	<u>\$ 1,146,415</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Cash Flows
For the Year Ended September 30, 2023

	<u>Television</u>	<u>Radio</u>	<u>Total APT</u>
CASH FLOWS FROM OPERATIONS			
Change in net position	\$ 6,062,752	\$ (351,834)	\$ 5,710,918
Add items not requiring an outlay of cash:			
Depreciation	2,172,046	49,099	2,221,145
Amortization of right of use asset - operating leases	489,145	19,162	508,307
Operating lease obligations	(430,929)	(19,162)	(450,091)
Net realized and unrealized gain on investments	(346,690)	-	(346,690)
Contributions of marketable securities	(1,111)	(10,191)	(11,302)
Net realized loss on sale of fixed assets	4,072	-	4,072
Change in assets and liabilities			
Accounts receivable decrease (increase)	21,120	(14,002)	7,118
Prepaid expense decrease (increase)	110,435	(9,359)	101,076
Accounts payable (decrease) increase	(66,386)	63,773	(2,613)
Accrued expenses increase	43,347	5,159	48,506
Other current liabilities increase	4,747	-	4,747
Unearned revenue increase	38,391	2,112	40,503
NET CASH PROVIDED BY OPERATIONS	<u>8,100,939</u>	<u>(265,243)</u>	<u>7,835,696</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	1,117,206	-	1,117,206
Purchases of investments	(1,527,501)	-	(1,527,501)
Proceeds from sale of fixed assets	40,458	-	40,458
Purchases of fixed assets	(3,759,163)	(144,765)	(3,903,928)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(4,129,000)</u>	<u>(144,765)</u>	<u>(4,273,765)</u>
INCREASE IN CASH	3,971,939	(410,008)	3,561,931
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>12,151,642</u>	<u>597,777</u>	<u>12,749,419</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,123,581</u>	<u>\$ 187,769</u>	<u>\$ 16,311,350</u>
NONCASH INVESTING ACTIVITIES			
Right of use asset - operating leases obtained in exchange for new operating lease obligations	<u>\$ 3,698,653</u>	<u>\$ 58,393</u>	<u>\$ 3,757,046</u>

See auditor's report.