

Alamo Public Telecommunications Council

Independent Auditor's Report and
Combined Financial Statements

September 30, 2014 and 2013

Alamo Public Telecommunications Council
September 30, 2014 and 2013

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Independent Auditor's Report

The Board of Directors
Alamo Public Telecommunications Council
San Antonio, Texas

We have audited the accompanying combined financial statements of Alamo Public Telecommunications Council (Council), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related combined statements of activities and cash flows and the related notes to the combined financial statements for the years then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Council as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

December 5, 2014
San Antonio, Texas

Alamo Public Telecommunications Council
Combined Statements of Financial Position
September 30, 2014 and 2013

Assets

	2014	2013
Cash and cash equivalents	\$ 1,689,893	\$ 1,618,823
Accounts receivable, net	187,655	320,280
Unconditional promises, bequests and grants receivable, net	43,173	155,000
Program rights	1,271,045	1,296,655
Prepaid expenses and other assets	342,793	356,521
Investments	6,692,002	6,501,397
Property and equipment, net	4,232,164	4,432,773
Total assets	\$ 14,458,725	\$ 14,681,449

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 681,945	\$ 702,948
Deferred revenues and support	298,097	330,143
Program rights payable	883,275	849,966
Total liabilities	1,863,317	1,883,057
Net assets		
Unrestricted net assets	421,326	424,086
Board designated unrestricted net assets	175,009	164,042
Board designated for property and equipment	4,232,164	4,432,773
Temporarily restricted net assets	2,422,867	2,437,206
Permanently restricted net assets	5,344,042	5,340,285
Total net assets	12,595,408	12,798,392
Total liabilities and net assets	\$ 14,458,725	\$ 14,681,449

Alamo Public Telecommunications Council
Combined Statements of Activities
Years Ended September 30, 2014 and 2013

	2014	2013
Changes in Unrestricted Net Assets		
Revenues and other support, including amounts released from restrictions		
Membership contributions	\$ 1,887,617	\$ 1,697,594
Community service grants	974,716	1,108,227
Contributions	367,241	187,723
Investment return	20,895	21,581
Endowment distribution	172,839	155,403
Auctions and special events	572,385	672,532
Education and outreach	507,975	547,893
Production	440,449	474,827
Program underwriting	753,574	795,170
Advertising	-	1,083
Other	135,952	67,535
	<u>5,833,643</u>	<u>5,729,568</u>
Expenses		
Program services		
Production	626,563	726,798
Programming	1,437,397	1,386,953
Public relations	323,972	288,911
Educational services	446,022	660,940
Engineering	981,173	1,028,718
	<u>3,815,127</u>	<u>4,092,320</u>
Supporting Services		
Development	1,505,789	1,463,012
General and administrative	705,129	557,685
	<u>2,210,918</u>	<u>2,020,697</u>
Total expenses	<u>6,026,045</u>	<u>6,113,017</u>
Change in Unrestricted Net Assets	<u>(192,402)</u>	<u>(383,449)</u>

Alamo Public Telecommunications Council
Combined Statements of Activities (Continued)
Years Ended September 30, 2014 and 2013

	2014	2013
Changes in Temporarily Restricted Net Assets		
Contributions	\$ 462,744	\$ 261,363
Investment return	535,111	511,268
Development	-	(17,000)
Reclassification of net assets released from restrictions	(1,012,194)	(504,230)
Change in Temporarily Restricted Net Assets	(14,339)	251,401
Change in Permanently Restricted Net Assets		
Contributions	3,757	262,851
Change in Permanently Restricted Net Assets	3,757	262,851
Change in Total Net Assets	(202,984)	130,803
Total Net Assets, Beginning of Year	12,798,392	12,667,589
Total Net Assets, End of Year	\$ 12,595,408	\$ 12,798,392

Alamo Public Telecommunications Council
Combined Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Operating Activities		
Change in total net assets	\$ (202,984)	\$ 130,803
Adjustments to reconcile change in total net assets to net cash provided by operating activities		
Depreciation and accretion	524,771	579,965
Noncash donations	(8,137)	(21,464)
Loss on disposal of property and equipment	-	(553)
Purchases of program rights	(864,607)	(819,684)
Amortization of program rights	890,217	859,757
Contributions restricted for investment	(10,748)	(376,288)
Net unrealized and realized (gains) losses on investments	(414,417)	(406,842)
Changes in operating assets and liabilities		
Accounts receivable	132,624	54,785
Grants and unconditional promises and bequests	111,827	102,687
Prepaid expenses and other assets	13,729	(1,024)
Accounts payable and accrued liabilities	(21,002)	(1,642)
Deferred revenues and support	(32,046)	50,074
Program rights payable	33,309	(104,319)
Net cash provided by operating activities	152,536	46,255
Investing Activities		
Purchase of property and equipment	(315,913)	(73,770)
Purchase of investments	(702,332)	(2,393,407)
Proceeds from sales and maturities of investments	926,031	2,138,039
Proceeds from sale of property and equipment	-	6,399
Net cash used in investing activities	(92,214)	(322,739)
Financing Activities		
Contributions restricted for investment	10,748	376,278
Net cash provided by financing activities	10,748	376,278
Increase in Cash and Cash Equivalents	71,070	99,794
Cash and Cash Equivalents, Beginning of Year	1,618,823	1,519,029
Cash and Cash Equivalents, End of Year	<u>\$ 1,689,893</u>	<u>\$ 1,618,823</u>

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Note 1: Organization and Significant Accounting Policies

Organization

The Alamo Public Telecommunications Council (Council) is a non-profit corporation providing public and educational broadcast services. The Council operates KLRN, a public television station in San Antonio, Texas, and is a member of the Public Broadcasting Service. The Council receives support primarily from the viewing public, as well as private and government grants.

During 1994, the Council created an entity separate from the operations of the public television station referred to as KLRN Endowment Fund, Inc. (Endowment). The Endowment is a not-for-profit corporation with the sole purpose of supporting the activities of KLRN over time. The Endowment has a separate board of directors independent from that of the Council.

The accompanying financial statements represent the combined financial statements of the Council and the Endowment, collectively referred to as the Council.

Basis of Presentation

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

Unrestricted net assets — Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets — Net assets subject to donor-imposed stipulations that may or will be met by either actions and/or the passage of time.

Permanently restricted net assets — Net assets subject to donor-imposed stipulations that must be maintained permanently by the Council. The donors of these assets permit the Council to use all of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by donor stipulation or by law.

Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. When restrictions are met in the same period as the receipt of the contribution, the contribution is reported as unrestricted.

Alamo Public Telecommunications Council

Notes to Combined Financial Statements

September 30, 2014 and 2013

Membership Contributions

The Council engages in fundraising campaigns by offering special television programs and on-air and mail fundraising appeals. These appeals encourage supporters to provide financial contributions to the Council for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding viewers. Contributions and collected pledges are components of unrestricted net assets since their usage is not limited to specific activities of the Council.

Community Service Grants

The Corporation for Public Broadcasting (CPB) is a private, non-profit grant-making organization responsible for funding more than 1,000 public television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. Each CSG may be expended over one or two federal fiscal years. The CSGs are approved by the U.S. Congress each year and could be reduced in the future.

The CSGs are reported on the accompanying combined financial statements as unrestricted operating funds; however, certain guidelines must be satisfied in connection with application for and use of CSGs to maintain eligibility and compliance requirements. These guidelines pertain to the use of CSG funds, recordkeeping, audits, financial reporting and licensee status with the Federal Communications Commission.

Production Costs

Grants and donations received in support of specific program productions are recorded as deferred revenue and support or temporarily restricted support and are recognized as the related costs are incurred.

Deferred Revenues

Deferred revenues represent cash received in advance of services which have not yet been provided.

Contributions

Contributions of cash and other assets are reported as 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 combined statements of activities as net assets released from restrictions. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are also reported as restricted. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Alamo Public Telecommunications Council

Notes to Combined Financial Statements

September 30, 2014 and 2013

Contributions that are contingent upon future events or future matching are not recorded in the statement of activities until the contingency is satisfied. If money is received from such gifts, it is recorded as deferred support until the contingency is satisfied. When the contingency is satisfied, the gift is recognized as revenue.

Contributions that are not expected to be collected within the next year are discounted using risk-free rates to reflect the present value.

Cash Equivalents

The Council considers investments with an original maturity of three months or less when purchased to be cash equivalents. As of September 30, 2014 and 2013, the Council's cash equivalents consisted primarily of short-term certificates of deposit and money market funds. Certain of the Council's cash and cash equivalents totaling \$958,124 and \$937,196 at September 30, 2014 and 2013, respectively are held in uninsured accounts.

At times, the Council's cash exceeds the current insured amounts under the Federal Deposit Insurance Corporation (FDIC). As of September 30, 2014 and 2013, the Council's cash balance exceeded the current insured amount under FDIC by \$509,224 and \$288,808, respectively. The Council has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

Investments

The Council's investments consist of certificates of deposit, common stocks, mutual funds and fixed income securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility, liquidity and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the combined statements of financial position as of September 30, 2014. However, the diversification of the Council's invested assets among these various asset classes should mitigate the impact of any dramatic change on any one asset class.

Dividends, interest, gains, losses and other investment income are reported in the combined statements of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by donor stipulations or by law. In the absence of donor stipulations or law to the contrary, losses on the investments of a donor-restricted endowment fund reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining loss reduces unrestricted net assets. If losses reduce the fair value of a donor-restricted endowment fund below the level required by the donor stipulations or law, gains that restore the fair value of the assets of the endowment fund to the required level are reported as increases in unrestricted net assets.

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Recognized investment income with donor-imposed restrictions that are met in the same period as received is reported as unrestricted support.

Accounts and Contributions Receivable

The Council's receivables are primarily from companies and individuals located in central and south Texas. Credit is extended based on an evaluation of the customer's financial condition and collateral is not required. The Council determines its allowances based on historical write-off trends. Credit losses consistently have been within management's expectations.

Functional Allocation of Expenses

The costs of providing programs and support services have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and support services benefited.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated assets, at their estimated fair market value at the date of receipt. The capitalization threshold is \$500. Depreciation is provided on a straight-line basis over the following estimated useful lives:

Building and improvements	10 - 40 years
Transmitter, antenna and tower	5 - 59 years
Studio and other broadcasting equipment	3 - 15 years
Office and transportation equipment	3 - 10 years

Donated Personal Services of Volunteers

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 Topic, *Not-for-Profit Entities Revenue Recognition*, for contributed services to be recognized as revenue, the services must create or enhance a nonfinancial asset or require specialized skills, be provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Council receives a significant amount of donated supplies and services from businesses and volunteers. No amounts have been recognized for these donated supplies and services in the combined statements of activities because the criteria for recognition under FASB ASC 958-605 has not been satisfied.

Program Rights

Program rights are amortized over the period of their expected usage using both straight-line and accelerated methods.

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Income Taxes

The Council and the Endowment are exempt from federal income taxes, except on net income derived from unrelated business activities, under Section 501(a) of the U.S. Internal Revenue Code (Code) as an organization described under Section 501(c)(3) of the Code and under a similar provision of state law. The Council incurred income taxes of \$8,262 and \$12,350 on unrelated business income in 2014 and 2013, respectively. The Council believes that it is no longer subject to U.S. federal or state income tax examinations by taxing authorities for years before 2010. However, the Council is still open to examination by taxing authorities from fiscal year 2010 forward. For the years ended September 30, 2014 and 2013, no interest or penalties were recorded or included in the combined statements of activities.

Uncertain Tax Positions

The Council has adopted FASB ASC 740-10 Topic, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Council does not believe there are any material uncertain tax positions and, accordingly, it does not recognize any liability for unrecognized tax benefits.

Advertising and Promotional

Advertising and promotional costs are expensed as incurred. During the years ended September 30, 2014 and 2013, the Council incurred expenses related to advertising and promotional costs of \$419,774 and \$357,312, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Note 2: Investments and Disclosures about the Fair Values of Investments

Investments are as follows at September 30, 2014 and 2013:

	2014		2013	
	Cost	Market	Cost	Market
Fixed income securities	\$ 2,396,320	\$ 2,413,259	\$ 2,294,028	\$ 2,314,962
Capital appreciation securities	3,434,973	4,278,743	3,584,369	4,186,435
Total investments	<u>\$ 5,831,293</u>	<u>\$ 6,692,002</u>	<u>\$ 5,878,397</u>	<u>\$ 6,501,397</u>

Investment return included in change in net assets for September 30, 2014 and 2013, respectively, is comprised of the following components:

	2014		
	Council	Endowment	Total
Interest and dividends	\$ 246	\$ 149,443	\$ 149,689
Realized gain (loss)	59	176,596	176,655
Unrealized gain (loss)	-	237,708	237,708
Investment fees	-	(8,046)	(8,046)
Investment return, net	<u>\$ 305</u>	<u>\$ 555,701</u>	<u>\$ 556,006</u>
Net asset classification of investment return			
Unrestricted	<u>\$ 305</u>	<u>\$ 20,590</u>	<u>\$ 20,895</u>
Temporarily restricted	<u>\$ -</u>	<u>\$ 535,111</u>	<u>\$ 535,111</u>

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

	2013		
	Council	Endowment	Total
Interest and dividends	\$ 2,165	\$ 131,242	\$ 133,407
Realized gain (loss)	36	327,785	327,821
Unrealized gain (loss)	-	79,026	79,026
Investment fees	-	(7,405)	(7,405)
	<u>\$ 2,201</u>	<u>\$ 530,648</u>	<u>\$ 532,849</u>
Investment return, net			
Net asset classification of investment return			
Unrestricted	<u>\$ 2,201</u>	<u>\$ 19,380</u>	<u>\$ 21,581</u>
Temporarily restricted	<u>\$ -</u>	<u>\$ 511,268</u>	<u>\$ 511,268</u>

FASB ASC Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2** Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.
- Level 3** Valuation based on inputs that are unobservable for an asset or liability shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input, therefore, reflects Council's assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Investments are the only instruments measured at fair value on a recurring basis and recognized in the accompanying combined statements of financial position. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include U.S. Treasury and government agency securities, corporate obligations and equity securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include certificates of deposit which have been valued based on quoted prices of similar certificates. There have been no changes in the methodologies used at September 30, 2014 and 2013.

The following tables present the fair value measurements of investments recognized in the accompanying combined statements of financial position measured at fair value on a recurring basis and the level within the ASC Topic 820 fair value hierarchy in which the fair value measurements fall at September 30, 2014 and 2013:

	Fair Value	2014 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Capital Appreciation				
Commodities Funds	\$ 179,994	\$ 179,994	\$ -	\$ -
Large Cap Value Equity Funds	732,880	732,880	-	-
Large Cap Growth Equity Funds	1,482,025	1,482,025	-	-
Mid Cap Value Equity Funds	388,003	388,003	-	-
International, Developed Markets Value Funds	242,680	242,680	-	-
International, Developed Markets Growth Funds	209,034	209,034	-	-
International, Emerging Markets Value Funds	243,789	243,789	-	-
International, Emerging Markets Growth Funds	206,271	206,271	-	-
Real Estate Funds	332,292	332,292	-	-
Multi-Asset Funds	261,775	261,775	-	-
Fixed Income				
U.S. Investment Grade	1,449,914	1,449,914	-	-
International, Developed Markets High Yield Bond Funds	638,644	638,644	-	-
Total	<u>\$ 6,692,002</u>	<u>\$ 6,692,002</u>	<u>\$ -</u>	<u>\$ -</u>

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
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	Fair Value	2013 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 249,409	\$ 249,409	\$ -	\$ -
Capital Appreciation	615,271	615,271	-	-
Commodities Funds	1,298,266	1,298,266	-	-
Large Cap Growth Equity Funds	341,460	341,460	-	-
Mid Cap Value Equity Funds	208,933	208,933	-	-
Small Cap Growth Funds				
International, Developed Markets Value Funds	214,409	214,409	-	-
International, Developed Markets Growth Funds	212,174	212,174	-	-
International, Emerging Markets Value Funds	246,948	246,948	-	-
International, Emerging Markets Growth Funds	100,418	100,418	-	-
Real Estate Funds	325,209	325,209	-	-
Real Estate Funds	373,938	373,938	-	-
Multi-Asset Funds				
Fixed income				
U.S. Investment Grade	1,374,423	1,374,423	-	-
International, Developed Markets	323,874	323,874	-	-
High Yield Bond Funds	616,665	616,665	-	-
Total	\$ 6,501,397	\$ 6,501,397	\$ -	\$ -

Note 3: Accounts and Contributions Receivable

Accounts receivable at September 30, 2014 and 2013, are as follows:

	2014	2013
Accounts receivable	\$ 203,667	\$ 418,409
Less allowance for doubtful accounts	16,012	98,129
Accounts receivable, net	<u>\$ 187,655</u>	<u>\$ 320,280</u>

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Contributions receivable consist of the following unconditional promises to give as of September 30, 2014 and 2013:

	2014	2013
Grants	\$ 3,173	\$ 115,000
Endowments	40,000	40,000
	43,173	155,000
Less allowance for uncollectible pledges and unamortized discount (discount rates of .54% to 2.97%)	-	-
Contributions receivable, net	<u>\$ 43,173</u>	<u>\$ 155,000</u>

The maturities of contributions receivable are as follows at September 30, 2014 and 2013:

	2014	2013
Less than one year		
Grants	\$ 3,173	\$ 115,000
Endowments	40,000	40,000
	<u>\$ 43,173</u>	<u>\$ 155,000</u>

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
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Note 4: Property and Equipment

Investment in property and equipment at September 30, 2014 and 2013, consists of the following:

	2014	2013
Land	\$ 497,456	\$ 497,456
Buildings and improvements	4,260,807	4,239,363
Transmitter, antenna and tower	2,957,187	2,945,024
Studio and other broadcasting equipment	5,850,176	5,580,747
Office and transportation equipment	1,079,090	1,062,387
Construction in progress	4,850	4,850
	14,649,566	14,329,827
Less accumulated depreciation	10,417,402	9,897,054
Total property and equipment, net	\$ 4,232,164	\$ 4,432,773

Depreciation expense for the years ended September 30, 2014 and 2013, amounted to \$520,348 and \$575,887, respectively.

During the year ended September 30, 2013, the Council retired fixed assets no longer in service with a historical cost of \$54,982, resulting in gains of \$553.

Note 5: Notes Payable

The Council has a revolving line of credit (the line) in the amount of \$500,000 with a bank maturing on March 5, 2015. Interest on funds drawn is at the bank's prime rate plus 1.75 percent (5.00 percent at September 30, 2014). The line is collateralized by accounts receivable and equipment. The lien securing the equipment is subordinate to the lien recorded by the federal government as described below. At September 30, 2014 and 2013, no amounts were outstanding on the line.

Interest expensed and paid for the years ended September 30, 2014 and 2013, was \$3,144 and \$4,192, respectively.

Certain equipment and public telecommunications facilities purchased with National Telecommunications and Information Administration/Public Telecommunications Facilities Program grants have recorded liens identifying the federal government (Department of Commerce) as the priority-secured creditor. The liens extend from the initial receipt of the equipment through a ten-year period following completion of the grant project. At September 30, 2014 and 2013, the book value of assets subject to Department of Commerce liens was \$557,041 and \$651,827, respectively.

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
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Note 6: Retirement Plan

Under a defined contribution retirement plan providing for purchase of annuity contracts, retirement benefits are provided for all eligible employees. Council employees are eligible to participate in the plan after one year of service and the Council is required to make contributions on behalf of participants based on the participants' eligible compensation. All plan participants are immediately vested in the contributions made by the Council. The Council's liability under this plan is limited to current contributions. Total contributions included in the combined statements of activities for the years ended September 30, 2014 and 2013, are \$69,827 and \$67,442, respectively.

Note 7: Deferred Compensation Agreement

The Council has an unqualified deferred compensation agreement under Section 457(f) of the Code with a retired key employee of the Council. Amounts accrued under the agreement are \$59,865 and \$70,346 at September 30, 2014 and 2013, respectively, and are included in the accompanying combined statements of financial position as a component of accounts payable and accrued expenses. The Council had \$96,480 and \$87,238 in board restricted assets for deferred compensation at September 30, 2014 and 2013, respectively.

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Note 8: Temporarily and Permanently Restricted Net Assets

Temporarily and permanently restricted net assets consist of the following at September 30, 2014 and 2013:

	2014		
	Council	Endowment	Total
Temporarily restricted net assets			
Without purpose restrictions	\$ -	\$ 1,678,456	\$ 1,678,456
Local production and programming	387,457	-	387,457
Education and outreach	99,250		99,250
Facility and equipment costs	<u>257,704</u>	<u>-</u>	<u>257,704</u>
	<u>\$ 744,411</u>	<u>\$ 1,678,456</u>	<u>\$ 2,422,867</u>
Permanently restricted net assets			
Endowments	<u>\$ -</u>	<u>\$ 5,344,042</u>	<u>\$ 5,344,042</u>
	2013		
	Council	Endowment	Total
Temporarily restricted net assets			
Without purpose restrictions	\$ -	\$ 1,316,184	\$ 1,316,184
Local production and programming	427,374	-	427,374
Facility and equipment costs	<u>693,648</u>	<u>-</u>	<u>693,648</u>
	<u>\$ 1,121,022</u>	<u>\$ 1,316,184</u>	<u>\$ 2,437,206</u>
Permanently restricted net assets			
Endowments	<u>\$ -</u>	<u>\$ 5,340,285</u>	<u>\$ 5,340,285</u>

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

The amounts subject to purpose restrictions in the Endowment are for general operations, documentaries and history programming, children’s programming, arts and public affairs programming and equipment.

During 2014 and 2013, the following amounts were released from restrictions and included in unrestricted net assets’ revenues and support in the following captions:

	2014		
	Council	Endowment	Total
Contributions	\$ 439,770	\$ -	\$ 439,770
Local production and programming	325,839	-	325,839
Education and outreach	73,746	-	73,746
Endowment distribution	-	172,839	172,839
Total net assets released from restrictions	\$ 839,355	\$ 172,839	\$ 1,012,194

	2013		
	Council	Endowment	Total
Contributions	\$ 48,496	\$ 15,000	\$ 63,496
Local production and programming	285,330	-	285,330
Endowment distribution	-	155,404	155,404
Total net assets released from restrictions	\$ 333,826	\$ 170,404	\$ 504,230

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Note 9: Asset Retirement Obligation

The Council has an asset retirement obligation of \$56,706 and \$52,283 as of September 30, 2014 and 2013, respectively. The liability relates to the Council's obligation to dismantle and remove its tower and transmitter facility from leased land and to return the site to its original condition upon termination or non-renewal of the lease. The liability is capitalized as part of the related long-lived assets' carrying value. An estimate of third-party cost information is used with respect to the dismantling of the structures and to return the site to its original condition. The interest rate used to calculate the present value of such costs over the retirement period is based on an estimated risk adjusted credit rate for the same period. The following table describes all of the changes to the Council's assets retirement obligation liability:

	2014	2013
Asset retirement obligation, beginning of year	\$ 52,283	\$ 48,204
Accretion expense	4,423	4,079
Asset retirement obligation, end of year	\$ 56,706	\$ 52,283

Note 10: Operating Leases

The Council leases certain equipment under operating leases which expire through 2019. Total rent expense paid by the Council for the years ended September 30, 2014 and 2013, was \$39,445 and \$37,558, respectively.

The following is a schedule of the total non-cancelable future minimum lease payments required:

Year Ending September 30,		
2015	\$	16,646
2016		11,991
2017		8,616
2018		8,616
2019		8,616
Total minimum lease payments	\$	54,485

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Note 11: Endowment

The Council's endowment consists of approximately seven individual funds established for a variety of purposes. The Endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Council's governing body has interpreted the State of Texas Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Council and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Council
7. Investment policies of the Council

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

The composition of net assets by type of endowment fund at September 30, 2014 and 2013, was:

	2014			
	Unrestricted	Temporarily	Permanently	Total
Donor-restricted endowment funds	\$ -	\$ 1,678,456	\$ 5,344,042	\$ 7,022,498
Board-designated endowment funds	175,009	-	-	175,009
Total endowment funds	\$ 175,009	\$ 1,678,456	\$ 5,344,042	\$ 7,197,507

	2013			
	Unrestricted	Temporarily	Permanently	Total
Donor-restricted endowment funds	\$ -	\$ 1,316,184	\$ 5,340,285	\$ 6,656,469
Board-designated endowment funds	164,042	-	-	164,042
Total endowment funds	\$ 164,042	\$ 1,316,184	\$ 5,340,285	\$ 6,820,511

Changes in endowment net assets for the years ended September 30, 2014 and 2013, were:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 164,042	\$ 1,316,184	\$ 5,340,285	\$ 6,820,511
Investment return				
Interest and dividends	3,588	143,905	-	147,493
Realized gain	4,261	170,005	-	174,266
Unrealized gain	5,693	228,947	-	234,640
Investment fees	(194)	(7,746)	-	(7,940)
Total investment return	13,348	535,111	-	548,459
Contributions	1,165	-	3,757	4,922
Distributions	(176,385)	-	-	(176,385)
Appropriation of endowment assets for expenditure	172,839	(172,839)	-	-
Endowment net assets, end of year	\$ 175,009	\$ 1,678,456	\$ 5,344,042	\$ 7,197,507

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ 152,949	\$ 960,321	\$ 5,077,434	\$ 6,190,704
Investment return				
Interest and dividends	3,154	126,496	-	129,650
Realized gain	7,875	315,745	-	323,620
Unrealized loss	1,891	76,161	-	78,052
Investment fees	(179)	(7,135)	-	(7,314)
Total investment return	12,741	511,267	-	524,008
Funds with deficiencies	1,710	-	262,851	264,561
Contributions	(158,762)	-	-	(158,762)
Distributions				
Appropriation of endowment assets for expenditure	155,404	(155,404)	-	-
Endowment net assets, end of year	<u>\$ 164,042</u>	<u>\$ 1,316,184</u>	<u>\$ 5,340,285</u>	<u>\$ 6,820,511</u>

Amounts of donor-restricted endowment funds classified as permanently and temporarily restricted net assets at September 30, 2014 and 2013, consisted of:

	2014	2013
Permanently restricted net assets		
Portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or SPMIFA	<u>\$ 5,344,042</u>	<u>\$ 5,340,285</u>
Temporarily restricted net assets		
Portion of perpetual endowment funds subject to a time restriction under SPMIFA		
Without purpose restrictions	<u>\$ 1,678,456</u>	<u>\$ 1,316,184</u>

Alamo Public Telecommunications Council

Notes to Combined Financial Statements

September 30, 2014 and 2013

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Council is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. These deficiencies result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions. There were no such deficiencies of this nature at September 30, 2014 and 2013.

The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Council must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. The Council's investment policy includes investment objectives to maximize over time the total rate of return on the assets of the endowment fund, to assume a level of risk consistent with prudent investment practices for such funds and to preserve the historical dollar value of the endowment fund.

To satisfy its long-term rate of return objectives, the Council relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Council targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. Investment managers are evaluated according to criterion which requires adherence to style and the ability to outperform peer managers and the market over time, while taking into account the likelihood of performance variability over the short-term.

The Council has a policy (the spending policy) of appropriating for expenditure each year three percent of its endowment fund's average fair value over the prior three years through the year-end preceding the year in which expenditure is planned. In establishing this policy, the Council considered the long-term expected return on its endowment. This is consistent with the Council's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Asset Retirement Obligation

As discussed in Note 9, the Council has recorded a liability for its conditional asset retirement obligation.

Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Investments

The Council invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying combined statements of financial position.

Note 13: Related Parties

During 2014 and 2013, the Council incurred \$10,000 and \$13,951, respectively, in expenses for production and other services from a family member and a company owned by the family member of a KLRN Endowment Fund, Inc., board trustee. The Council entered into an agreement for the services in 2012 prior to the Trustee being elected and beginning service in 2011. As of September 30, 2014 and 2013, there were no payables for the services.

Note 14: Subsequent Events

Subsequent events have been evaluated through the date the combined financial statements were available to be issued.

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Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

Note 15: Schedule of Functional Expenses

The following sets forth the natural class detail of functional expenses of the Council for the years ended September 30, 2014 and 2013:

	2014					
	PROGRAM SERVICES					
	Production	Programming	Public Relations	Education and Outreach	Engineering	Total Program Services
Salaries and wages	\$ 310,762	\$ 213,214	\$ 176,322	\$ 179,969	\$ 255,764	\$ 1,136,031
Benefits	86,446	58,150	50,347	58,167	80,305	333,415
Professional services	77,954	15,084	-	25,994	744	119,776
Supplies	3,893	1,879	75	69,891	401	76,139
Telephone	6,649	4,156	3,694	6,845	5,541	26,885
Postage and shipping	107	1,546	146	3,959	498	6,256
Occupancy	56,229	5,394	2,743	25,346	37,784	127,496
Equipment rental and maintenance	43,971	4,953	1,020	18,258	47,297	115,499
Printing and publications	457	1,451	1,178	17,461	33	20,580
Travel	4,328	6,983	1,594	8,888	2,696	24,489
Conferences, conventions and meetings	3,711	3,021	1,826	12,017	723	21,298
Interest and service charges	23	-	-	43	-	66
Programming	14,247	936,078	-	-	-	950,325
Advertising and promotional	935	1,340	80,793	11,285	-	94,353
Dues and subscriptions	5,330	177,945	3,053	4,182	-	190,510
Insurance	8,902	6,203	1,181	3,422	18,809	38,517
Miscellaneous	2,619	-	-	295	5,807	8,721
Depreciation and accretion	-	-	-	-	524,771	524,771
	<u>\$ 626,563</u>	<u>\$ 1,437,397</u>	<u>\$ 323,972</u>	<u>\$ 446,022</u>	<u>\$ 981,173</u>	<u>\$ 3,815,127</u>

2014

SUPPORTING SERVICES			
Development	General and Administrative	Total Supporting Services	Total Functional Expenses
\$ 550,167	\$ 376,502	\$ 926,669	\$ 2,062,700
142,093	89,365	231,458	564,873
134,860	113,497	248,357	368,133
4,565	5,281	9,846	85,985
11,241	6,881	18,122	45,007
100,685	5,547	106,232	112,488
18,189	11,892	30,081	157,577
20,619	26,420	47,039	162,538
46,356	2,172	48,528	69,108
10,909	8,520	19,429	43,918
9,757	10,432	20,189	41,487
54,418	4,641	59,059	59,125
-	-	-	950,325
324,045	1,376	325,421	419,774
27,514	25,230	52,744	243,254
3,995	14,533	18,528	57,045
46,376	2,840	49,216	57,937
-	-	-	524,771
<u>\$ 1,505,789</u>	<u>\$ 705,129</u>	<u>\$ 2,210,918</u>	<u>\$ 6,026,045</u>

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Alamo Public Telecommunications Council
Notes to Combined Financial Statements
September 30, 2014 and 2013

2013							
PROGRAM SERVICES							
	Production	Programming	Public Relations	Education and Outreach	Engineering	Total Program Services	
Salaries and wages	\$ 330,235	\$ 201,021	\$ 135,895	\$ 315,527	\$ 256,706	\$ 1,239,384	
Benefits	98,446	40,729	37,171	104,701	83,286	364,333	
Professional services	113,325	8,326	3,175	30,849	509	156,184	
Supplies	4,116	1,428	106	78,859	593	85,102	
Telephone	8,771	1,258	2,439	9,686	6,307	28,461	
Postage and shipping	133	1,266	539	4,669	372	6,979	
Occupancy	55,108	4,279	1,865	23,636	37,789	122,677	
Equipment rental and maintenance	69,106	4,143	747	24,928	32,193	131,117	
Printing and publications	64	815	321	19,757	26	20,983	
Travel	867	5,825	1,409	8,053	536	16,690	
Conferences, conventions and meetings	2,265	2,014	2,095	15,131	179	21,684	
Interest and service charges	46	-	-	75	2	123	
Programming	17,842	912,733	-	-	-	930,575	
Advertising and promotional	230	720	96,288	13,690	1,178	112,106	
Dues and subscriptions	5,136	196,581	6,174	6,715	-	214,606	
Insurance	9,407	5,238	687	3,806	25,439	44,577	
Miscellaneous	11,701	577	-	858	3,638	16,774	
Depreciation and accretion	-	-	-	-	579,965	579,965	
	<u>\$ 726,798</u>	<u>\$ 1,386,953</u>	<u>\$ 288,911</u>	<u>\$ 660,940</u>	<u>\$ 1,028,718</u>	<u>\$ 4,092,320</u>	

2013

SUPPORTING SERVICES				
Development	General and Administrative	Total Supporting Services	Total Functional Expenses	
\$ 540,905	\$ 279,616	\$ 820,521	\$ 2,059,905	
144,673	84,385	229,058	593,391	
113,016	67,613	180,629	336,813	
3,886	6,677	10,563	95,665	
8,894	5,470	14,364	42,825	
69,886	5,058	74,944	81,923	
17,880	13,139	31,019	153,696	
104,784	24,477	129,261	260,378	
57,560	5,169	62,729	83,712	
12,367	11,352	23,719	40,409	
17,203	13,004	30,207	51,891	
48,112	6,419	54,531	54,654	
-	-	-	930,575	
245,205	-	245,205	357,311	
20,533	23,487	44,020	258,626	
2,457	8,777	11,234	55,811	
55,651	3,042	58,693	75,467	
-	-	-	579,965	
<u>\$ 1,463,012</u>	<u>\$ 557,685</u>	<u>\$ 2,020,697</u>	<u>\$ 6,113,017</u>	

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Supplementary Information

The Board of Directors
Alamo Public Telecommunications Council

Our audits were performed for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying supplementary information on pages 29 through 33 is presented for purposes of additional analysis and is 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 basic 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 taken as a whole.

BKD, LLP

December 5, 2014

Alamo Public Telecommunications Council
Combining Statements of Financial Position
September 30, 2014 and 2013

	2014				
	Operating Fund	Plant Fund	Council Subtotal	KLRN Endowment Fund, Inc.	Combined Total
Assets					
Cash and cash equivalents	\$ 547,092	\$ 601,330	\$ 1,148,422	\$ 541,471	\$ 1,689,893
Accounts receivable, net of allowance of \$16,012 and \$98,129, respectively	177,180	-	177,180	10,475	187,655
Unconditional promises and bequests and grants receivable, net of allowance and discount of \$-0- and \$-0-, respectively	3,173	-	3,173	40,000	43,173
Interfund transfers	225,537	(225,537)	-	-	-
Program rights	1,271,045	-	1,271,045	-	1,271,045
Prepaid expenses and other assets	324,557	-	324,557	18,236	342,793
Investments	-	-	-	6,692,002	6,692,002
Property and equipment, net	-	4,232,164	4,232,164	-	4,232,164
Total assets	<u>\$ 2,548,584</u>	<u>\$ 4,607,957</u>	<u>\$ 7,156,541</u>	<u>\$ 7,302,184</u>	<u>\$ 14,458,725</u>
Liabilities and Net Assets					
Accounts payable and accrued expenses	\$ 617,042	\$ 56,706	\$ 673,748	\$ 8,197	\$ 681,945
Deferred revenues and support	298,097	-	298,097	-	298,097
Program rights payable	883,275	-	883,275	-	883,275
Total liabilities	<u>1,798,414</u>	<u>56,706</u>	<u>1,855,120</u>	<u>8,197</u>	<u>1,863,317</u>
Net assets					
Unrestricted net assets	263,463	61,383	324,846	96,480	421,326
Board designated unrestricted	-	-	-	175,009	175,009
Board designated for property and equipment	-	4,232,164	4,232,164	-	4,232,164
Temporarily restricted net assets	486,707	257,704	744,411	1,678,456	2,422,867
Permanently restricted net assets	-	-	-	5,344,042	5,344,042
Total net assets	<u>750,170</u>	<u>4,551,251</u>	<u>5,301,421</u>	<u>7,293,987</u>	<u>12,595,408</u>
Total liabilities and net assets	<u>\$ 2,548,584</u>	<u>\$ 4,607,957</u>	<u>\$ 7,156,541</u>	<u>\$ 7,302,184</u>	<u>\$ 14,458,725</u>

2013

Operating Fund	Plant Fund	Council Subtotal	KLRN Endowment Fund, Inc.	Combined Total
\$ 411,275	\$ 869,274	\$ 1,280,549	\$ 338,274	\$ 1,618,823
309,310	-	309,310	10,970	320,280
100,000	15,000	115,000	40,000	155,000
49,837	(49,837)	-	-	-
1,296,655	-	1,296,655	-	1,296,655
338,849	-	338,849	17,672	356,521
-	-	-	6,501,397	6,501,397
-	4,432,773	4,432,773	-	4,432,773
<u>\$ 2,505,926</u>	<u>\$ 5,267,210</u>	<u>\$ 7,773,136</u>	<u>\$ 6,908,313</u>	<u>\$ 14,681,449</u>
\$ 650,101	\$ 52,283	\$ 702,384	\$ 564	\$ 702,948
330,143	-	330,143	-	330,143
849,966	-	849,966	-	849,966
<u>1,830,210</u>	<u>52,283</u>	<u>1,882,493</u>	<u>564</u>	<u>1,883,057</u>
248,342	88,506	336,848	87,238	424,086
-	-	-	164,042	164,042
-	4,432,773	4,432,773	-	4,432,773
427,374	693,648	1,121,022	1,316,184	2,437,206
-	-	-	5,340,285	5,340,285
<u>675,716</u>	<u>5,214,927</u>	<u>5,890,643</u>	<u>6,907,749</u>	<u>12,798,392</u>
<u>\$ 2,505,926</u>	<u>\$ 5,267,210</u>	<u>\$ 7,773,136</u>	<u>\$ 6,908,313</u>	<u>\$ 14,681,449</u>

Alamo Public Telecommunications Council
Combining Statements of Activities
Years Ended September 30, 2014 and 2013

	2014				
	Operating Fund	Plant Fund	Council Subtotal	KLRN Endowment Fund, Inc.	Combined Total
Changes in Unrestricted Net Assets					
Revenues and other support, including amounts released from restrictions					
Membership contributions	\$ 1,887,617	\$ -	\$ 1,887,617	\$ -	\$ 1,887,617
Community service grants	974,716	-	974,716	-	974,716
Contributions	67,306	296,770	364,076	3,165	367,241
Investment return	-	305	305	20,590	20,895
Endowment distribution	-	-	-	172,839	172,839
Auctions and special events	565,288	-	565,288	7,097	572,385
Education and outreach	507,975	-	507,975	-	507,975
Production	440,449	-	440,449	-	440,449
Program underwriting	753,574	-	753,574	-	753,574
Advertising	-	-	-	-	-
Other	135,952	-	135,952	-	135,952
Total revenues and other support	<u>5,332,877</u>	<u>297,075</u>	<u>5,629,952</u>	<u>203,691</u>	<u>5,833,643</u>
Expenses					
Program services					
Production	626,563	-	626,563	-	626,563
Programming	1,437,397	-	1,437,397	-	1,437,397
Public relations	323,972	-	323,972	-	323,972
Educational services	446,022	-	446,022	-	446,022
Engineering	456,402	524,771	981,173	-	981,173
	<u>3,290,356</u>	<u>524,771</u>	<u>3,815,127</u>	<u>-</u>	<u>3,815,127</u>
Supporting Services					
Development	1,505,789	-	1,505,789	-	1,505,789
General and administrative	705,093	36	705,129	-	705,129
	<u>2,210,882</u>	<u>36</u>	<u>2,210,918</u>	<u>-</u>	<u>2,210,918</u>
Total expenses	<u>5,501,238</u>	<u>524,807</u>	<u>6,026,045</u>	<u>-</u>	<u>6,026,045</u>
Other Changes in Net Assets					
Transfer of earnings	183,482	-	183,482	(183,482)	-
Change in Unrestricted Net Assets	<u>15,121</u>	<u>(227,732)</u>	<u>(212,611)</u>	<u>20,209</u>	<u>(192,402)</u>
Changes in Temporarily Restricted Net Assets					
Contributions	458,918	3,826	462,744	-	462,744
Investment return	-	-	-	535,111	535,111
Development	-	-	-	-	-
Reclassification of net assets released from restrictions	(399,585)	(439,770)	(839,355)	(172,839)	(1,012,194)
Change in Temporarily Restricted Net Assets	<u>59,333</u>	<u>(435,944)</u>	<u>(376,611)</u>	<u>362,272</u>	<u>(14,339)</u>
Change in Permanently Restricted Net Assets					
Contributions	-	-	-	3,757	3,757
Change in Permanently Restricted Net Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,757</u>	<u>3,757</u>
Change in Total Net Assets	<u>74,454</u>	<u>(663,676)</u>	<u>(589,222)</u>	<u>386,238</u>	<u>(202,984)</u>
Total Net Assets, Beginning of Year	<u>675,716</u>	<u>5,214,927</u>	<u>5,890,643</u>	<u>6,907,749</u>	<u>12,798,392</u>
Total Net Assets, End of Year	<u>\$ 750,170</u>	<u>\$ 4,551,251</u>	<u>\$ 5,301,421</u>	<u>\$ 7,293,987</u>	<u>\$ 12,595,408</u>

2013

Operating Fund	Plant Fund	Council Subtotal	KLRN Endowment Fund, Inc.	Combined Total
\$ 1,697,594	\$ -	\$ 1,697,594	\$ -	\$ 1,697,594
1,108,227	-	1,108,227	-	1,108,227
104,301	66,722	171,023	16,700	187,723
3	2,198	2,201	19,380	21,581
-	-	-	155,403	155,403
662,844	-	662,844	9,688	672,532
547,893	-	547,893	-	547,893
474,827	-	474,827	-	474,827
795,170	-	795,170	-	795,170
1,083	-	1,083	-	1,083
66,982	553	67,535	-	67,535
<u>5,458,924</u>	<u>69,473</u>	<u>5,528,397</u>	<u>201,171</u>	<u>5,729,568</u>
726,798	-	726,798	-	726,798
1,386,953	-	1,386,953	-	1,386,953
288,911	-	288,911	-	288,911
660,940	-	660,940	-	660,940
448,753	579,965	1,028,718	-	1,028,718
<u>3,512,355</u>	<u>579,965</u>	<u>4,092,320</u>	<u>-</u>	<u>4,092,320</u>
1,463,012	-	1,463,012	-	1,463,012
557,664	21	557,685	-	557,685
<u>2,020,676</u>	<u>21</u>	<u>2,020,697</u>	<u>-</u>	<u>2,020,697</u>
<u>5,533,031</u>	<u>579,986</u>	<u>6,113,017</u>	<u>-</u>	<u>6,113,017</u>
168,440	-	168,440	(168,440)	-
<u>94,333</u>	<u>(510,513)</u>	<u>(416,180)</u>	<u>32,731</u>	<u>(383,449)</u>
182,500	78,500	261,000	363	261,363
-	-	-	511,268	511,268
-	-	-	(17,000)	(17,000)
<u>(285,331)</u>	<u>(48,496)</u>	<u>(333,827)</u>	<u>(170,403)</u>	<u>(504,230)</u>
<u>(102,831)</u>	<u>30,004</u>	<u>(72,827)</u>	<u>324,228</u>	<u>251,401</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>262,851</u>	<u>262,851</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>262,851</u>	<u>262,851</u>
(8,498)	(480,509)	(489,007)	619,810	130,803
684,214	5,695,436	6,379,650	6,287,939	12,667,589
<u>\$ 675,716</u>	<u>\$ 5,214,927</u>	<u>\$ 5,890,643</u>	<u>\$ 6,907,749</u>	<u>\$ 12,798,392</u>

Alamo Public Telecommunications Council
Combining Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014				
	Operating Fund	Plant Fund	Council Subtotal	KLRN Endowment Fund. Inc.	Combined Total
Operating Activities					
Change in net assets	\$ 74,454	\$ (663,676)	\$ (589,222)	\$ 386,238	\$ (202,984)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities					
Depreciation and accretion	-	524,771	524,771	-	524,771
Noncash donations	-	(8,137)	(8,137)	-	(8,137)
Loss (gain) on disposal of property and equipment	-	-	-	-	-
Purchases of program rights	(864,607)	-	(864,607)	-	(864,607)
Amortization of program rights	890,217	-	890,217	-	890,217
Contributions restricted for investment	-	(3,826)	(3,826)	(6,922)	(10,748)
Net unrealized and realized (gains) losses on investments	-	(112)	(112)	(414,305)	(414,417)
Changes in operating assets and liabilities					
Accounts receivable	132,129	-	132,129	495	132,624
Grants and unconditional promises and bequests	96,827	15,000	111,827	-	111,827
Due to/due from other funds	(175,700)	175,700	-	-	-
Prepaid expenses and other assets	14,293	-	14,293	(564)	13,729
Accounts payable and accrued expenses	(33,059)	4,423	(28,636)	7,634	(21,002)
Deferred revenues and support	(32,046)	-	(32,046)	-	(32,046)
Program rights payable	33,309	-	33,309	-	33,309
Net cash provided by (used in) operating activities	135,817	44,143	179,960	(27,424)	152,536
Investing Activities					
Purchase of property and equipment	-	(315,913)	(315,913)	-	(315,913)
Purchases of investments	-	-	-	(702,332)	(702,332)
Proceeds from sales and maturities of investments	-	-	-	926,031	926,031
Proceeds from sale of property and equipment	-	-	-	-	-
Net cash (used in) provided by investing activities	-	(315,913)	(315,913)	223,699	(92,214)
Financing Activities					
Contributions restricted for investment	-	3,826	3,826	6,922	10,748
Net cash provided by financing activities	-	3,826	3,826	6,922	10,748
Increase (Decrease) in Cash and Cash Equivalents	135,817	(267,944)	(132,127)	203,197	71,070
Cash and Cash Equivalents, Beginning of Year	411,275	869,274	1,280,549	338,274	1,618,823
Cash and Cash Equivalents, End of Year	\$ 547,092	\$ 601,330	\$ 1,148,422	\$ 541,471	\$ 1,689,893

2013

Operating Fund	Plant Fund	Council Subtotal	KLRN Endowment Fund, Inc.	Combined Total
\$ (8,498)	\$ (480,509)	\$ (489,007)	\$ 619,810	\$ 130,803
-	579,965	579,965	-	579,965
-	(21,464)	(21,464)	-	(21,464)
-	(553)	(553)	-	(553)
(819,684)	-	(819,684)	-	(819,684)
859,757	-	859,757	-	859,757
-	(96,737)	(96,737)	(279,551)	(376,288)
-	(31)	(31)	(406,811)	(406,842)
54,628	-	54,628	157	54,785
58,333	15,000	73,333	29,354	102,687
257,689	(257,689)	-	-	-
(475)	-	(475)	(549)	(1,024)
(5,775)	4,079	(1,696)	54	(1,642)
50,074	-	50,074	-	50,074
(104,319)	-	(104,319)	-	(104,319)
<u>341,730</u>	<u>(257,939)</u>	<u>83,791</u>	<u>(37,536)</u>	<u>46,255</u>
-	(73,770)	(73,770)	-	(73,770)
-	-	-	(2,393,407)	(2,393,407)
-	250,000	250,000	1,888,039	2,138,039
-	6,399	6,399	-	6,399
<u>-</u>	<u>182,629</u>	<u>182,629</u>	<u>(505,368)</u>	<u>(322,739)</u>
<u>-</u>	<u>96,727</u>	<u>96,727</u>	<u>279,551</u>	<u>376,278</u>
<u>-</u>	<u>96,727</u>	<u>96,727</u>	<u>279,551</u>	<u>376,278</u>
341,730	21,417	363,147	(263,353)	99,794
69,545	847,857	917,402	601,627	1,519,029
<u>\$ 411,275</u>	<u>\$ 869,274</u>	<u>\$ 1,280,549</u>	<u>\$ 338,274</u>	<u>\$ 1,618,823</u>

Alamo Public Telecommunications Council
Schedule of City of San Antonio Kinder Readiness Contract
Year Ended September 30, 2014

Revenues-City of San Antonio Kinder Readiness Contract	\$ 250,491
Other Unrestricted Operating Fund Revenues and Support	<u>5,082,386</u>
Total unrestricted operating fund revenues and support	<u>5,332,877</u>
Expenses - City of San Antonio Kinder Readiness Contract	
Personnel services	140,513
Contractual services	48,688
Commodities	45,510
Other expenditures	15,780
Capital outlay	<u>-</u>
Total expenses - City of San Antonio Kinder Readiness Contract	250,491
Other Unrestricted Operating Fund Expenses	<u>5,250,747</u>
Total Unrestricted Operating Fund Expenses	<u><u>\$ 5,501,238</u></u>

Alamo Public Telecommunications Council
Schedule of City of San Antonio Very Early Childhood Contract
Year Ended September 30, 2014

Revenues - City of San Antonio Very Early Childhood Centers	\$ 61,834
Other Unrestricted Operating Fund Revenues and Support	<u>5,271,043</u>
Total unrestricted operating fund revenues and support	<u>5,332,877</u>
Expenses - City of San Antonio Very Early Childhood Contract	
Personnel services	42,223
Contractual services	3,159
Commodities	11,356
Other expenditures	5,096
Capital outlay	<u>-</u>
Total expenses - City of San Antonio Very Early Childhood Contract	61,834
Other Unrestricted Operating Fund Expenses	<u>5,439,404</u>
Total Unrestricted Operating Fund Expenses	<u><u>\$ 5,501,238</u></u>