

**ALAMO PUBLIC TELECOMMUNICATIONS  
COUNCIL**

**COMBINED FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2019**

**ALAMO PUBLIC TELECOMMUNICATIONS  
COUNCIL**

**COMBINED FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

**Year Ended September 30, 2019**

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## Independent Auditor's Report



To the Board of Directors  
of Alamo Public Telecommunications Council

We have audited the accompanying combined financial statements of Alamo Public Telecommunications Council (a nonprofit organization) and affiliate, which comprise the combined statements of financial position as of September 30, 2019 and 2018, and the related combined statements of activities and functional expenses for the year ended September 30, 2019 and cash flows for the years ended September 30, 2019 and 2018, and the related notes to the combined financial statements.

### **Management's Responsibility 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; 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 combined financial statements based on our audit. We conducted our audit 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 combined financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Alamo Public Telecommunications Council and affiliate as of September 30, 2019 and 2018, the changes in their net assets for the year ended September 30, 2019, and their cash flows for the years ended September 30, 2019 and 2018 in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Alamo Public Telecommunications Council and affiliate's 2018 combined financial statements, and our report dated January 14, 2019, expressed an unmodified opinion on those combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

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## 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 schedules of financial position and activities on pages 22 and 23 are presented for purposes of additional analysis and are not a required part of the 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 on pages 22 and 23 is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Sagebiel, Ravenberg & Schuh, P.C.*

San Antonio, Texas  
January 13, 2020

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINED STATEMENT OF FINANCIAL POSITION**

**September 30, 2019 and 2018**

<b>ASSETS</b>	2019	2018
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,863,482	\$ 2,353,762
Accounts receivable, net of allowance of \$21,246 and \$8,354	219,338	168,427
Unconditional promises, bequests, and grants receivable, net of allowance and discount of \$6,099 and \$12,132	710,389	829,356
Program rights	1,238,407	1,180,569
Prepaid expenses and other assets	284,443	267,987
Investments	8,069,208	7,705,217
Property and equipment, net	3,212,100	3,245,990
<b>Total assets</b>	<b><u>\$ 15,597,367</u></b>	<b><u>\$ 15,751,308</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 489,123	\$ 490,311
Deferred revenues	12,000	-
Program rights payable	852,697	774,181
Lease payable	157,749	197,620
<b>Total liabilities</b>	<b><u>1,511,569</u></b>	<b><u>1,462,112</u></b>
 <b>Net assets:</b>		
Without donor restrictions:		
Unrestricted	394,035	329,372
Board designated unrestricted	216,674	215,565
Board designated for property and equipment	3,054,351	3,048,371
<b>Total net assets without donor restrictions</b>	<b><u>3,665,060</u></b>	<b><u>3,593,308</u></b>
With donor restrictions:		
Time or purpose restrictions	3,171,036	3,522,832
Restrictions that are perpetual in nature	7,249,702	7,173,056
<b>Total net assets with donor restrictions</b>	<b><u>10,420,738</u></b>	<b><u>10,695,888</u></b>
<b>Total net assets</b>	<b><u>14,085,798</u></b>	<b><u>14,289,196</u></b>
 Total liabilities and net assets	 <b><u>\$ 15,597,367</u></b>	 <b><u>\$ 15,751,308</u></b>

The accompanying notes are an integral part of the financial statements.

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINED STATEMENT OF ACTIVITIES**

**Year Ended September 30, 2019**

(With Comparative Totals For Year Ended September 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	<b>Total</b>	
			<u>2019</u>	<u>2018</u>
<b>Support and revenue:</b>				
Special events:				
Gross revenue	\$ 344,451	\$ 41,500	\$ 385,951	\$ 376,774
Less direct expenses	(74,613)	-	(74,613)	(65,474)
Net special events support	269,838	41,500	311,338	311,300
Membership contributions	1,874,036	-	1,874,036	1,916,114
Community service grants	909,436	-	909,436	948,072
Contributions	68,948	92,679	161,627	1,607,869
Investment return	7,432	267,975	275,407	576,027
Education and outreach	149,295	200,529	349,824	332,266
Production	303,543	36,920	340,463	221,447
Program underwriting	270,844	177,462	448,306	683,955
Other	91,655	4,244	95,899	66,759
	<u>3,945,027</u>	<u>821,309</u>	<u>4,766,336</u>	<u>6,663,809</u>
Net assets released from restrictions	<u>1,096,459</u>	<u>(1,096,459)</u>	-	-
Total support and revenue	<u>5,041,486</u>	<u>(275,150)</u>	<u>4,766,336</u>	<u>6,663,809</u>
<b>Expenses:</b>				
Program services:				
Production	683,906	-	683,906	602,201
Programming	1,216,846	-	1,216,846	1,202,251
Public relations	329,490	-	329,490	368,684
Educational services	458,396	-	458,396	389,704
Engineering	809,797	-	809,797	926,685
Total program services expenses	<u>3,498,435</u>	<u>-</u>	<u>3,498,435</u>	<u>3,489,525</u>
Supporting services:				
Development	1,016,568	-	1,016,568	955,274
General and administrative	454,731	-	454,731	519,887
Total supporting services expenses	<u>1,471,299</u>	<u>-</u>	<u>1,471,299</u>	<u>1,475,161</u>
Total expenses	<u>4,969,734</u>	<u>-</u>	<u>4,969,734</u>	<u>4,964,686</u>
Change in net assets	71,752	(275,150)	(203,398)	1,699,123
<b>Net assets at beginning of year</b>	<u>3,593,308</u>	<u>10,695,888</u>	<u>14,289,196</u>	<u>12,590,073</u>
<b>Net assets at end of year</b>	<u>\$ 3,665,060</u>	<u>\$ 10,420,738</u>	<u>\$ 14,085,798</u>	<u>\$ 14,289,196</u>

The accompanying notes are an integral part  
of the financial statements.

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended September 30, 2019**

(With Comparative Totals For Year Ended September 30, 2018)

	<b>Program Services</b>					
	<u>Production</u>	<u>Programming</u>	<u>Public Relation</u>	<u>Educational Services</u>	<u>Engineering</u>	<u>Subtotal</u>
Salaries	\$ 332,509	\$ 87,995	\$ 195,890	\$ 231,738	\$ 268,764	\$ 1,116,896
Benefits	84,588	26,873	62,887	70,795	63,602	308,745
Total salary and benefits	417,097	114,868	258,777	302,533	332,366	1,425,641
Professional services	82,234	49,462	2,150	10,898	4,800	149,544
Supplies	8,070	856	777	31,587	566	41,856
Telephone	8,262	2,446	5,067	8,927	7,345	32,047
Postage and shipping	4	986	2	3,543	259	4,794
Occupancy	57,231	3,172	3,316	27,980	30,881	122,580
Equipment rental and maintenance	34,046	5,773	4,845	15,796	62,910	123,370
Printing and publications	22	189	4,364	14,358	43	18,976
Travel	453	2,050	1,630	8,145	1,796	14,074
Conferences, conventions, and meetings	1,450	10,786	1,277	11,718	138	25,369
Programming	18,009	843,137	-	-	-	861,146
Advertising and promotional	2,139	-	40,232	1,931	-	44,302
Dues and subscriptions	2,848	177,208	4,356	10,755	525	195,692
Insurance	9,945	5,913	2,144	6,225	21,220	45,447
Interest	-	-	-	-	-	-
Banking fees and service charges	-	-	553	-	-	553
Bad debt expense	7,725	-	-	4,000	-	11,725
Miscellaneous	34,371	-	-	-	12,167	46,538
Total expenses before depreciation and accretion	683,906	1,216,846	329,490	458,396	475,016	3,163,654
Depreciation and accretion	-	-	-	-	334,781	334,781
Total expenses	\$ 683,906	\$ 1,216,846	\$ 329,490	\$ 458,396	\$ 809,797	\$ 3,498,435

<b>Supporting Services</b>			<b>Total</b>	
<u>Development</u>	<u>General and Administrative</u>	<u>Subtotal</u>	<u>2019</u>	<u>2018</u>
\$ 488,149	\$ 175,830	\$ 663,979	\$ 1,780,875	\$ 1,740,476
101,372	63,036	164,408	473,153	421,875
589,521	238,866	828,387	2,254,028	2,162,351
26,805	102,181	128,986	278,530	233,893
9,874	4,758	14,632	56,488	49,616
11,287	7,586	18,873	50,920	50,596
49,859	5,362	55,221	60,015	73,882
14,188	8,584	22,772	145,352	156,704
7,723	12,816	20,539	143,909	191,197
28,809	4,418	33,227	52,203	53,393
7,561	12,275	19,836	33,910	23,345
4,172	12,297	16,469	41,838	32,374
648	-	648	861,794	906,655
141,644	123	141,767	186,069	213,052
55,473	23,498	78,971	274,663	219,937
5,845	7,617	13,462	58,909	58,299
-	9,445	9,445	9,445	7,734
51,785	4,593	56,378	56,931	52,386
3,216	-	3,216	14,941	-
8,158	312	8,470	55,008	56,860
1,016,568	454,731	1,471,299	4,634,953	4,542,274
-	-	-	334,781	422,412
<u>\$ 1,016,568</u>	<u>\$ 454,731</u>	<u>\$ 1,471,299</u>	<u>\$ 4,969,734</u>	<u>\$ 4,964,686</u>

The accompanying notes are an integral part of the financial statements.



**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINED STATEMENT OF CASH FLOWS**

**Years Ended September 30, 2019 and 2018**

	2019	2018
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (203,398)	\$ 1,699,123
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and accretion expense	334,781	422,412
Bad debt expense	14,941	-
Purchases of program rights	(856,832)	(773,718)
Amortization of program rights	798,994	844,135
Contributions restricted for long-term use	(82,679)	(1,571,840)
Realized and unrealized (gains) and losses, net	(66,979)	(410,936)
Change in:		
Accounts receivable	(65,852)	(51,282)
Grants and unconditional promises and bequests	118,967	(151,488)
Prepaid expenses and other assets	(16,456)	21,980
Accounts payable and accrued liabilities	(7,827)	(111,913)
Deferred revenues and support	12,000	-
Program rights payable	78,516	(42,409)
Net cash provided (used) by operating activities	<u>58,176</u>	<u>(125,936)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(294,252)	(187,385)
Proceeds from sales and maturities of investments	1,883,823	508,923
Purchases of investments	(2,180,835)	(176,322)
Net cash provided (used) by investing activities	<u>(591,264)</u>	<u>145,216</u>
<b>Cash flows from financing activities:</b>		
Proceeds from contributions restricted for long-term use	82,679	1,571,840
Principal payments on capital lease	(39,871)	(19,145)
Net cash provided by financing activities	<u>42,808</u>	<u>1,552,695</u>
 Net increase (decrease) in cash and cash equivalents	 (490,280)	 1,571,975
 <b>Cash and cash equivalents at beginning of year</b>	 <u>2,353,762</u>	 <u>781,787</u>
 <b>Cash and cash equivalents at end of year</b>	 <u>\$ 1,863,482</u>	 <u>\$ 2,353,762</u>
 <b>Schedule of supplemental cash flow information:</b>		
Income taxes paid	<u>\$ 42,537</u>	<u>\$ 43,686</u>

The accompanying notes are an integral part of the financial statements.

# ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

## NOTES TO COMBINED FINANCIAL STATEMENTS

### 1 NATURE OF ORGANIZATION

The Alamo Public Telecommunications Council (APTC) is a non-profit corporation providing public and educational broadcast services. APTC 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 APTC.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Principles of Combination

The combined financial statements include APTC and the Endowment (collectively, the Council). These entities share some common management. All significant inter-organizational accounts and transactions have been eliminated in combination.

#### Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

#### Basis of Presentation

The Council reports information regarding its financial position and activities according to two classes of net assets, as follows:

- Without Donor Restrictions - Resources that are expendable at the discretion of the Board of Directors for conducting the operations of the Council. Net assets without donor restrictions may be designated by the Board of Directors for a specific purpose.
- With Donor Restrictions - Resources that are limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled and otherwise removed by actions of the Council pursuant to those restrictions or that neither expire by the passage of time, nor can be fulfilled or otherwise removed by actions of the Council.

#### Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

#### 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.

(Continued)

# ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

## NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **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.

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, 2019 and 2018, the Council's cash equivalents consisted primarily of money market funds.

#### **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.

(Continued)

ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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, 2019. 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. Recognized investment income with donor-imposed restrictions that are met in the same period as received is reported as unrestricted support.

**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:

	<u>Years</u>
Buildings and improvements	10 - 40
Transmitter, antenna, and tower	5 - 59
Studio and other broadcasting equipment	3 - 15
Office and transportation equipment	3 - 10

**Donated Personal Services of Volunteers**

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-605, *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.

(Continued)

# ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

## NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 \$46,233 and \$32,997 on unrelated business income in 2019 and 2018, 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 2015. However, the Council is still open to examination by taxing authorities from fiscal year 2015 forward. For the years ended September 30, 2019 and 2018, no interest or penalties were recorded or included in the combined statements of activities.

#### Uncertain Tax Positions

The Council has adopted FASB ASC Topic 740-10, *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, 2019 and 2018, the Council incurred expenses related to advertising and promotional costs of \$186,069 and \$213,052, respectively.

#### 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.

#### 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.

#### Accounting Pronouncements Issued but Not Yet Adopted

##### *Revenue from Contracts with Customers (Topic 606)*

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

FASB issued ASU 2015-14 that deferred the effective date until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its financial statements. This may affect the Council in fiscal year 2020.

(Continued)

ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Accounting Pronouncements Issued but Not Yet Adopted** (Continued)

*Leases (Topic 842)*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded.

The ASU is effective for the Council's fiscal years beginning after December 15, 2020 with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements. This may affect the Council in fiscal year 2022.

*Not-for-Profit Entities (Topic 958)*

In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The new standard modifies guidelines for evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, and for determining whether a contribution is conditional.

Portions of the ASU that apply to transactions in which the organization serves as the recipient of resources are effective for fiscal years beginning after December 15, 2018, and portions of the ASU that apply to transactions in which the organization serves as the resource provider are effective for fiscal years beginning after December 15, 2019. This may affect the Council in fiscal years 2020 and 2021.

**Recently Adopted Accounting Pronouncements**

In August 2016, the FASB issued Accounting Standards Update 2016-14, regarding the reporting and disclosure requirements for not-for-profit organizations, effective for periods beginning after December 15, 2017, with early adoption permitted. The pronouncement replaces the three classes of net assets with two new classes, requires the reporting of expenses by function and natural classification for all not-for-profit organizations, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. The Council adopted this new pronouncement effective October 1, 2018.

**Reclassifications**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**Subsequent Events**

The Council has evaluated subsequent events through January 13, 2020, the date which the financial statements were available for issue.

**3 CONCENTRATION OF CREDIT RISK**

The Council maintains its cash and cash equivalent balances in two financial institutions. At September 30, 2019, the Council's cash and cash equivalents held in federally-insured depository accounts exceeded insured limits by \$136,546 in one financial institution. At September 30, 2019, the Council's cash and cash equivalents held in uninsured accounts totaled \$1,492,829. 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.

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**4 ACCOUNTS AND CONTRIBUTIONS RECEIVABLE**

Accounts receivable at September 30, 2019 and 2018, are as follows:

	2019	2018
Accounts receivable	\$ 240,584	\$ 176,781
Allowance for doubtful accounts	<u>(21,246)</u>	<u>(8,354)</u>
Accounts receivable, net	<u>\$ 219,338</u>	<u>\$ 168,427</u>

Contributions receivable consist of the following unconditional promises to give as of September 30, 2019 and 2018:

	2019	2018
Grants and contributions receivable	\$ 716,488	\$ 841,488
Allowance for uncollectible pledges and unamortized discount (discount rate of 1.65%)	<u>(6,099)</u>	<u>(12,132)</u>
Grants and contributions receivable, net	<u>\$ 710,389</u>	<u>\$ 829,356</u>

The maturities of contributions receivable are as follows at September 30, 2019 and 2018:

	2019	2018
Less than one year:		
Grants receivable	\$ 125,000	\$ 125,000
Contribution receivable	466,488	466,488
One to five years:		
Grants receivable	<u>125,000</u>	<u>250,000</u>
Grants and contributions receivable	<u>\$ 716,488</u>	<u>\$ 841,488</u>

**5 INVESTMENTS**

Investments, including endowment investments, consisted of the following at September 30, 2019 and 2018:

	2019		2018	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Fixed income securities	\$ 2,464,869	\$ 2,458,700	\$ 2,221,251	\$ 2,167,449
Capital appreciation securities	4,545,014	5,610,508	4,268,023	5,537,768
Total investments	<u>\$ 7,009,883</u>	<u>\$ 8,069,208</u>	<u>\$ 6,489,274</u>	<u>\$ 7,705,217</u>

(Continued)

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**5 INVESTMENTS** (Continued)

Investment return is summarized as follows:

	2019		
	APTC	Endowment	Total
Interest and dividends	\$ 1,647	\$ 216,288	\$ 217,935
Realized gains (losses)	-	223,514	223,514
Unrealized gains (losses)	(55)	(156,480)	(156,535)
Investment management fees	-	(9,507)	(9,507)
Investment return, net	1,592	273,815	275,407
Net asset classification of investment return:			
Without restrictions	1,592	5,840	7,432
With restrictions	-	267,975	267,975
Investment return, net	\$ 1,592	\$ 273,815	\$ 275,407
	2018		
	APTC	Endowment	Total
Interest and dividends	\$ 867	\$ 173,075	\$ 173,942
Realized gains (losses)	-	124,803	124,803
Unrealized gains (losses)	-	286,134	286,134
Investment management fees	-	(8,852)	(8,852)
Investment return, net	867	575,160	576,027
Net asset classification of investment return:			
Without restrictions	867	21,496	22,363
With restrictions	-	553,664	553,664
Investment return, net	\$ 867	\$ 575,160	\$ 576,027

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). At September 30, 2019 and 2018, the Council's investments were reported at fair value using a Level 1 measure.

(Continued)



**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**6 PROPERTY AND EQUIPMENT**

At September 30, the carrying values of property and equipment were as follows:

	2019	2018
Land	\$ 497,456	\$ 497,456
Buildings and improvements	4,396,125	4,321,803
Transmitter, antenna, and tower	2,848,474	2,848,473
Studio and other broadcasting equipment, including \$216,764 in capital leases at September 30, 2019 and 2018	5,094,008	5,093,241
Office and transportation equipment	1,027,346	1,017,637
Construction in progress	209,454	-
Property and equipment, gross	14,072,863	13,778,610
Accumulated depreciation	(10,860,763)	(10,532,620)
Property and equipment, net	<u>\$ 3,212,100</u>	<u>\$ 3,245,990</u>

Depreciation expense for the years ended September 30, 2019 and 2018 amounted to \$328,142 and \$416,291, respectively.

The accumulated depreciation for property and equipment under capital leases for the years ended September 30, 2019 and 2018 was \$54,191 and \$18,064, respectively.

**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 \$-0- and \$25,526 at September 30, 2019 and 2018, respectively, and are included in the accompanying combined statements of financial position as a component of accounts payable and accrued expenses. The Endowment was named the beneficiary of this agreement following the death of this former employee, and has accrued a receivable of \$-0- and \$25,526 in the accompanying combining statements of financial position as of September 30, 2019 and 2018. These receivables and payables are eliminated in combination.

The Council had \$-0- and \$120,365 in board designated assets for deferred compensation at September 30, 2019 and 2018, respectively.

**8 DEBT**

The Council has a revolving line of credit (the line) in the amount of \$500,000 with a bank maturing on February 5, 2021. Interest on funds drawn is at the Wall Street Journal prime rate plus 0.750 percent (5.75 percent at September 30, 2019). 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, 2019 and 2018, no amounts were outstanding on the line.

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. The remaining liens expired during the year ended September 30, 2019. At September 30, 2019 and 2018, the book value of assets subject to Department of Commerce liens was \$-0- and \$182,131, respectively.

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**9 ASSET RETIREMENT OBLIGATION**

The Council has an asset retirement obligation of \$85,109 and \$78,470 as of September 30, 2019 and 2018, 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:

	2019	2018
Asset retirement obligation, beginning of year	\$ 78,470	\$ 72,349
Accretion expense	<u>6,639</u>	<u>6,121</u>
Asset retirement obligation, end of year	<u>\$ 85,109</u>	<u>\$ 78,470</u>

**10 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at September 30:

	2019	2018
Subject to expenditures for specified purpose or time periods:		
Returns on endowment for support of KLRN	\$ 2,528,079	\$ 2,572,420
Local production and programming	170,790	171,651
Education and outreach	139,420	156,034
Facility and equipment costs	<u>332,747</u>	<u>622,727</u>
Total net assets subject to expenditures for specified purpose or time periods	3,171,036	3,522,832
Subject to restrictions that are perpetual in nature:		
Endowment corpus for support of KLRN	<u>7,249,702</u>	<u>7,173,056</u>
Total net assets with donor restrictions	<u>\$10,420,738</u>	<u>\$10,695,888</u>

Net assets were released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

Satisfaction of purpose or time restrictions:		
Appropriation of endowment returns	\$ 316,560	\$ 215,865
Local production and programming	266,743	278,147
Education and outreach	217,143	213,219
Facility and equipment costs	<u>296,013</u>	<u>156,703</u>
Net assets released from restriction	<u>\$ 1,096,459</u>	<u>\$ 863,934</u>

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.

(Continued)

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
(Continued)

**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

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, 2019 and 2018.

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.

(Continued)

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**11 ENDOWMENT (Continued)**

The Council has a policy (the spending policy) of appropriating for expenditure each year four percent of its endowment fund's average fair value over the prior twelve quarters 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.

Endowment net asset composition by type of fund as of September 30, 2019 and 2018 is as follows:

	2019			
	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary Restrictions	Corpus	
Donor-restricted endowment funds	\$ -	\$ 2,528,079	\$ 7,249,702	\$ 9,777,781
Board-designated endowment funds	216,674	-	-	216,674
<b>Total endowment funds</b>	<b>\$ 216,674</b>	<b>\$ 2,528,079</b>	<b>\$ 7,249,702</b>	<b>\$ 9,994,455</b>

  

	2018			
	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary Restrictions	Corpus	
Donor-restricted endowment funds	\$ -	\$ 2,572,420	\$ 7,173,056	\$ 9,745,476
Board-designated endowment funds	215,565	-	-	215,565
<b>Total endowment funds</b>	<b>\$ 215,565</b>	<b>\$ 2,572,420</b>	<b>\$ 7,173,056</b>	<b>\$ 9,961,041</b>

Changes in endowment net assets for the years ended September 30, 2019 and 2018 were as follows:

	2019			
	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary Restrictions	Corpus	
Endowment net assets, beginning of year	\$ 215,565	\$ 2,572,420	\$ 7,173,056	\$ 9,961,041
Interest and dividends	4,577	211,711	-	216,288
Realized gains (losses)	5,088	218,426	-	223,514
Unrealized gains (losses)	(3,619)	(152,861)	-	(156,480)
Investment management fees	(206)	(9,301)	-	(9,507)
Investment return, net	5,840	267,975	-	273,815
Contributions	706	4,244	76,646	81,596
Distributions	(321,997)	-	-	(321,997)
Appropriation for expenditure	316,560	(316,560)	-	-
<b>Endowment net assets, end of year</b>	<b>\$ 216,674</b>	<b>\$ 2,528,079</b>	<b>\$ 7,249,702</b>	<b>\$ 9,994,455</b>

(Continued)

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**11 ENDOWMENT (Continued)**

	2018			
	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary Restrictions	Corpus	
Endowment net assets, beginning of year	\$ 204,171	\$ 2,235,021	\$ 5,631,716	\$ 8,070,908
Interest and dividends	3,758	167,230	-	170,988
Realized gains (losses)	3,131	119,944	-	123,075
Unrealized gains (losses)	7,139	274,989	-	282,128
Investment management fees	(227)	(8,899)	-	(9,126)
Investment return, net	13,801	553,264	-	567,065
Contributions	1,725	-	1,541,340	1,543,065
Distributions	(219,997)	-	-	(219,997)
Appropriation for expenditure	215,865	(215,865)	-	-
Endowment net assets, end of year	<u>\$ 215,565</u>	<u>\$ 2,572,420</u>	<u>\$ 7,173,056</u>	<u>\$ 9,961,041</u>

**12 LEASES**

The Council leases certain equipment under operating leases which expire through 2024. During the year ended September 30, 2018 the Council entered into a capital lease for broadcast equipment.

Total rent expense paid by the Council for the years ended September 30, 2019 and 2018, was \$50,491 and \$41,849, respectively.

Future minimum lease payments under these leases are:

<u>Year Ending June 30,</u>	<u>Capital Lease</u>	<u>Operating Leases</u>
2020	\$ 49,565	\$ 19,711
2021	49,565	16,460
2022	49,565	12,352
2023	24,783	12,521
2024	-	7,446
	<u>173,478</u>	<u>\$ 68,490</u>
Less amount representing interest	<u>(15,729)</u>	
Net minimum capital lease payments	157,749	
Less current portion	<u>(42,078)</u>	
Long-term capital lease obligation	<u>\$ 115,671</u>	

**13 EMPLOYEE BENEFIT 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, 2019 and 2018, are \$57,334 and \$61,523, respectively.

# ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

## NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

### 14 SPLIT-INTEREST AGREEMENTS

During the year ended September 30, 2019, the Council was named as a beneficiary of an irrevocable charitable remainder trust administered by a bank. Under the terms of the split-interest agreement, the Council is to receive 25% of the residual assets remaining following the death of the lead beneficiary. However, the present value of the Council's future benefits from this trust is not estimable, as the agreement allows the trustee to make discretionary payments to the lead beneficiary. As such, no amount has been recorded in the financial statements for the Council's interest in the assets of this trust. Income from this trust amounted to \$50,000 in the year ended September 30, 2019, as a result of a one-time gift from the trust.

### 15 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.

#### 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.

#### Revenue and Support Concentrations

For the years ended September 30, 2019 and 2018, approximately 19.1% and 14.2%, respectively, or \$909,436 and \$948,072, respectively, of the Council's support and revenue came from CSGs distributed by the CPB.

### 16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Council's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes include amounts restricted for expenditure in the upcoming fiscal year. Accounts receivable are subject to an implied time restriction but are expected to be collected within one year, except for promises to give that are due in future years.

Cash and cash equivalents	\$ 1,863,482
Accounts receivable, net	219,338
Unconditional promises, bequests, and grants receivable, net	710,389
Investments	8,069,208
Financial assets at year end	<u>10,862,417</u>
Less those unavailable for general expenditure within one year, due to:	
Receivables due in more than one year	(125,000)
Donor-restricted to expenditure for specific purpose	(3,046,036)
Investments with donor restrictions that are perpetual in nature	<u>(7,249,702)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 441,679</u>

(Continued)

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS** (Continued)

The Council plans to keep cash and cash equivalents on hand that are adequate to cover three months of regular operating expenses, and invests any surplus in a variety of investments that include equities, bonds, and mutual funds. As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, as more fully described in Note 8, the Council also has committed lines of credit in the amount of \$500,000, which it could draw upon in the event of liquidity needs. At September 30, 2019, the Council had financial assets and financing available to meet cash needs for general expenditure within one year that were equivalent to roughly 74 days of average operating expenses before depreciation and accretion.

**SUPPLEMENTARY INFORMATION**



**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINING STATEMENT OF FINANCIAL POSITION**

**September 30, 2019**

	APTC			KLRN Endowment Fund, Inc.	Eliminations	Total
	Operating Fund	Plant Fund	Subtotal			
<b>ASSETS</b>						
<b>Assets:</b>						
Cash and cash equivalents	\$ 362,639	\$ 100,949	\$ 463,588	\$ 1,399,894	\$ -	\$ 1,863,482
Accounts receivable, net of allowance of \$21,246	183,685	-	183,685	35,653	-	219,338
Unconditional promises, bequests, and grants receivable, net of allowance and discount of \$6,099	-	243,901	243,901	466,488	-	710,389
Interfund transfers	(73,006)	73,006	-	-	-	-
Program rights	1,238,407	-	1,238,407	-	-	1,238,407
Prepaid expenses and other assets	260,443	-	260,443	24,000	-	284,443
Investments	-	-	-	8,069,208	-	8,069,208
Property and equipment, net	-	3,212,100	3,212,100	-	-	3,212,100
Total assets	<u>\$ 1,972,168</u>	<u>\$ 3,629,956</u>	<u>\$ 5,602,124</u>	<u>\$ 9,995,243</u>	<u>\$ -</u>	<u>\$ 15,597,367</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenses	403,226	85,109	488,335	788	-	489,123
Deferred revenues	12,000	-	12,000	-	-	12,000
Program rights payable	852,697	-	852,697	-	-	852,697
Lease payable	-	157,749	157,749	-	-	157,749
Total liabilities	<u>1,267,923</u>	<u>242,858</u>	<u>1,510,781</u>	<u>788</u>	<u>-</u>	<u>1,511,569</u>
<b>Net assets:</b>						
Without donor restrictions:						
Unrestricted	394,035	-	394,035	-	-	394,035
Board designated unrestricted	-	-	-	216,674	-	216,674
Board designated for property and equipment	-	3,054,351	3,054,351	-	-	3,054,351
Total net assets without donor restrictions	<u>394,035</u>	<u>3,054,351</u>	<u>3,448,386</u>	<u>216,674</u>	<u>-</u>	<u>3,665,060</u>
With donor restrictions:						
Time or purpose restrictions	310,210	332,747	642,957	2,528,079	-	3,171,036
Restrictions that are perpetual in nature	-	-	-	7,249,702	-	7,249,702
Total net assets with donor restrictions	<u>310,210</u>	<u>332,747</u>	<u>642,957</u>	<u>9,777,781</u>	<u>-</u>	<u>10,420,738</u>
Total net assets	<u>704,245</u>	<u>3,387,098</u>	<u>4,091,343</u>	<u>9,994,455</u>	<u>-</u>	<u>14,085,798</u>
Total liabilities and net assets	<u>\$ 1,972,168</u>	<u>\$ 3,629,956</u>	<u>\$ 5,602,124</u>	<u>\$ 9,995,243</u>	<u>\$ -</u>	<u>\$ 15,597,367</u>

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINING STATEMENT OF ACTIVITIES**

**Year Ended September 30, 2019**

	<b>Without Donor Restrictions</b>					
	<b>APTC</b>					
	Operating Fund	Plant Fund	Subtotal	KLRN Endowment Fund, Inc.	Eliminations	<b>Subtotal</b>
<b>Support and revenue:</b>						
Special events:						
Gross revenue	\$ 344,451	\$ -	\$ 344,451	\$ -	\$ -	\$ 344,451
Less direct expenses	(74,613)	-	(74,613)	-	-	(74,613)
Net special events support	269,838	-	269,838	-	-	269,838
Membership contributions	1,874,036	-	1,874,036	-	-	1,874,036
Community service grants	909,436	-	909,436	-	-	909,436
Contributions	68,250	-	68,250	698	-	68,948
Investment return	-	1,592	1,592	5,840	-	7,432
Education and outreach	149,295	-	149,295	-	-	149,295
Production	303,543	-	303,543	-	-	303,543
Program underwriting	270,844	-	270,844	-	-	270,844
Other	91,647	-	91,647	8	-	91,655
	<u>3,936,889</u>	<u>1,592</u>	<u>3,938,481</u>	<u>6,546</u>	<u>-</u>	<u>3,945,027</u>
Net assets released from restrictions	483,886	296,013	779,899	316,560	-	1,096,459
Total support and revenue	<u>4,420,775</u>	<u>297,605</u>	<u>4,718,380</u>	<u>323,106</u>	<u>-</u>	<u>5,041,486</u>
<b>Expenses:</b>						
Program services:						
Production	683,906	-	683,906	-	-	683,906
Programming	1,216,846	-	1,216,846	-	-	1,216,846
Public relations	329,490	-	329,490	-	-	329,490
Educational services	458,396	-	458,396	-	-	458,396
Engineering	475,016	334,781	809,797	-	-	809,797
Total program services expenses	<u>3,163,654</u>	<u>334,781</u>	<u>3,498,435</u>	<u>-</u>	<u>-</u>	<u>3,498,435</u>
Supporting services:						
Development	1,016,568	-	1,016,568	-	-	1,016,568
General and administrative	445,925	8,806	454,731	-	-	454,731
Total supporting services expenses:	<u>1,462,493</u>	<u>8,806</u>	<u>1,471,299</u>	<u>-</u>	<u>-</u>	<u>1,471,299</u>
Total expenses	<u>4,626,147</u>	<u>343,587</u>	<u>4,969,734</u>	<u>-</u>	<u>-</u>	<u>4,969,734</u>
Change in net assets before transfers	(205,372)	(45,982)	(251,354)	323,106	-	71,752
Intracompany transfers	(51,962)	51,962	-	-	-	-
Transfer of endowment earnings	442,362	-	442,362	(442,362)	-	-
Change in net assets	185,028	5,980	191,008	(119,256)	-	71,752
<b>Net assets at beginning of year</b>	<u>209,007</u>	<u>3,048,371</u>	<u>3,257,378</u>	<u>335,930</u>	<u>-</u>	<u>3,593,308</u>
<b>Net assets at end of year</b>	<u>\$ 394,035</u>	<u>\$ 3,054,351</u>	<u>\$ 3,448,386</u>	<u>\$ 216,674</u>	<u>\$ -</u>	<u>\$ 3,665,060</u>

**With Donor Restrictions**

APTC						
Operating Fund	Plant Fund	Subtotal	KLRN Endowment Fund, Inc.	Eliminations	Subtotal	Total
\$ 41,500	\$ -	\$ 41,500	\$ -	\$ -	\$ 41,500	\$ 385,951
						(74,613)
41,500	-	41,500	-	-	41,500	311,338
-	-	-	-	-	-	1,874,036
-	-	-	-	-	-	909,436
10,000	6,033	16,033	76,646	-	92,679	161,627
-	-	-	267,975	-	267,975	275,407
200,529	-	200,529	-	-	200,529	349,824
36,920	-	36,920	-	-	36,920	340,463
177,462	-	177,462	-	-	177,462	448,306
-	-	-	4,244	-	4,244	95,899
466,411	6,033	472,444	348,865	-	821,309	4,766,336
(483,886)	(296,013)	(779,899)	(316,560)	-	(1,096,459)	-
(17,475)	(289,980)	(307,455)	32,305	-	(275,150)	4,766,336
-	-	-	-	-	-	683,906
-	-	-	-	-	-	1,216,846
-	-	-	-	-	-	329,490
-	-	-	-	-	-	458,396
-	-	-	-	-	-	809,797
-	-	-	-	-	-	3,498,435
-	-	-	-	-	-	1,016,568
-	-	-	-	-	-	454,731
-	-	-	-	-	-	1,471,299
-	-	-	-	-	-	4,969,734
(17,475)	(289,980)	(307,455)	32,305	-	(275,150)	(203,398)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(17,475)	(289,980)	(307,455)	32,305	-	(275,150)	(203,398)
327,685	622,727	950,412	9,745,476	-	10,695,888	14,289,196
\$ 310,210	\$ 332,747	\$ 642,957	\$ 9,777,781	\$ -	\$ 10,420,738	\$ 14,085,798