

**ALAMO PUBLIC TELECOMMUNICATIONS  
COUNCIL**

**COMBINED FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2021**

**ALAMO PUBLIC TELECOMMUNICATIONS  
COUNCIL**

**COMBINED FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

**Year Ended September 30, 2021**

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## Independent Auditor's Report



To the Board of Directors  
of Alamo Public Telecommunications Council

### Opinion

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, 2021 and 2020, the related combined statements of activities and functional expenses for the year ended September 30, 2021 and cash flows for the years ended September 30, 2021 and 2020, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Alamo Public Telecommunications Council and affiliate as of September 30, 2021 and 2020, and the changes in net assets for the year ended September 30, 2021, and its cash flows for the years ended September 30, 2021 and 2020, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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## **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alamo Public Telecommunications Council and affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alamo Public Telecommunications Council and affiliate's ability to continue as a going concern for a reasonable period of time.

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

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

We have previously audited Alamo Public Telecommunications Council and affiliate's 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated January 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

### **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 12, 2022

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINED STATEMENT OF FINANCIAL POSITION**

**September 30, 2021 and 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 2,781,391	\$ 1,961,817
Accounts receivable, net of allowance of \$5,546 and \$5,296	153,324	103,275
Unconditional promises, bequests, and grants receivable, net of allowance and discount of \$-0- and \$2,044	2,497,289	818,944
Program rights	1,283,279	1,246,753
Prepaid expenses and other assets	329,617	302,478
Investments	11,205,462	9,240,793
Property and equipment, net	3,417,076	3,384,459
Total assets	<u>\$ 21,667,438</u>	<u>\$ 17,058,519</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 475,262	\$ 609,753
Program rights payable	878,770	836,254
Lease payable	96,947	148,115
Note payable	-	459,600
Total liabilities	<u>1,450,979</u>	<u>2,053,722</u>
 <b>Net assets:</b>		
Without donor restrictions:		
Unrestricted	2,674,392	1,286,512
Board designated unrestricted	256,813	219,291
Board designated for property and equipment	3,257,446	3,236,344
Total net assets without donor restrictions	<u>6,188,651</u>	<u>4,742,147</u>
With donor restrictions:		
Time or purpose restrictions	4,437,127	3,002,333
Restrictions that are perpetual in nature	9,590,681	7,260,317
Total net assets with donor restrictions	<u>14,027,808</u>	<u>10,262,650</u>
Total net assets	<u>20,216,459</u>	<u>15,004,797</u>
 Total liabilities and net assets	 <u>\$ 21,667,438</u>	 <u>\$ 17,058,519</u>

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, 2021**

(With Comparative Totals For Year Ended September 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>	
			<u>2021</u>	<u>2020</u>
<b>Support and revenue:</b>				
Special events:				
Gross revenue	\$ 3,680	\$ -	\$ 3,680	\$ 277,507
Less direct expenses	-	-	-	(50,915)
Net special events support	<u>3,680</u>	<u>-</u>	<u>3,680</u>	<u>226,592</u>
Membership contributions	2,244,057	-	2,244,057	2,166,425
Community service grants	1,018,104	-	1,018,104	973,657
Paycheck Protection Program grant	459,600	-	459,600	-
CPB ARPA and CARES Act grants	-	432,595	432,595	200,000
Contributions	329,426	2,482,700	2,812,126	764,249
Investment return	42,159	1,812,206	1,854,365	343,626
Education and outreach	146,540	189,275	335,815	359,320
Production	136,140	118,171	254,311	132,243
Program underwriting	276,588	222,784	499,372	408,655
Other	173,053	-	173,053	128,092
	<u>4,829,347</u>	<u>5,257,731</u>	<u>10,087,078</u>	<u>5,702,859</u>
Net assets released from restrictions	1,492,573	(1,492,573)	-	-
Total support and revenue	<u>6,321,920</u>	<u>3,765,158</u>	<u>10,087,078</u>	<u>5,702,859</u>
<b>Expenses:</b>				
Program services:				
Production	592,904	-	592,904	575,803
Programming	1,264,271	-	1,264,271	1,253,309
Public relations	361,062	-	361,062	335,424
Educational services	432,894	-	432,894	392,288
Engineering	939,771	-	939,771	853,183
Total program services expenses	<u>3,590,902</u>	<u>-</u>	<u>3,590,902</u>	<u>3,410,007</u>
Supporting services:				
Development	884,516	-	884,516	941,068
General and administrative	399,998	-	399,998	432,785
Total supporting services expenses	<u>1,284,514</u>	<u>-</u>	<u>1,284,514</u>	<u>1,373,853</u>
Total expenses	<u>4,875,416</u>	<u>-</u>	<u>4,875,416</u>	<u>4,783,860</u>
Change in net assets	1,446,504	3,765,158	5,211,662	918,999
<b>Net assets at beginning of year</b>	<u>4,742,147</u>	<u>10,262,650</u>	<u>15,004,797</u>	<u>14,085,798</u>
<b>Net assets at end of year</b>	<u>\$ 6,188,651</u>	<u>\$ 14,027,808</u>	<u>\$ 20,216,459</u>	<u>\$ 15,004,797</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, 2021**

(With Comparative Totals For Year Ended September 30, 2020)

	<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	\$ 343,755	\$ 108,223	\$ 219,544	\$ 264,733	\$ 305,785	\$ 1,242,040
Benefits	93,950	31,747	73,654	64,228	65,136	328,715
Total salary and benefits	<u>437,705</u>	<u>139,970</u>	<u>293,198</u>	<u>328,961</u>	<u>370,921</u>	<u>1,570,755</u>
Professional services	29,400	13,009	1,800	550	1,343	46,102
Supplies	1,618	91	85	25,307	938	28,039
Telephone	7,781	2,882	5,772	8,198	8,105	32,738
Postage and shipping	8	5	-	2,956	314	3,283
Occupancy	56,273	3,133	2,714	23,075	37,057	122,252
Equipment rental and maintenance	32,127	1,686	2,432	11,111	99,264	146,620
Printing and publications	71	1	105	11,057	43	11,277
Travel	1,416	-	-	1,527	431	3,374
Conferences, conventions, and meetings	1,218	256	170	2,524	10	4,178
Programming	488	896,072	-	-	-	896,560
Advertising and promotional	4,530	-	44,764	425	350	50,069
Dues and subscriptions	3,236	200,840	7,459	9,183	160	220,878
Insurance	11,278	6,326	2,563	8,020	24,186	52,373
Interest	-	-	-	-	-	-
Banking fees and service charges	-	-	-	-	-	-
Bad debt expense	550	-	-	-	-	550
Miscellaneous	5,205	-	-	-	8,878	14,083
Total expenses before depreciation and accretion	<u>592,904</u>	<u>1,264,271</u>	<u>361,062</u>	<u>432,894</u>	<u>552,000</u>	<u>3,203,131</u>
Depreciation and accretion	-	-	-	-	387,771	387,771
Total expenses	<u>\$ 592,904</u>	<u>\$ 1,264,271</u>	<u>\$ 361,062</u>	<u>\$ 432,894</u>	<u>\$ 939,771</u>	<u>\$ 3,590,902</u>

<b>Supporting Services</b>			<b>Total</b>	
<u>Development</u>	<u>General and Administrative</u>	<u>Subtotal</u>	<u>2021</u>	<u>2020</u>
\$ 378,272	\$ 161,770	\$ 540,042	\$ 1,782,082	\$ 1,739,673
73,233	53,705	126,938	455,653	446,041
<u>451,505</u>	<u>215,475</u>	<u>666,980</u>	<u>2,237,735</u>	<u>2,185,714</u>
23,508	105,612	129,120	175,222	217,273
8,394	2,511	10,905	38,944	45,233
9,595	6,312	15,907	48,645	50,822
60,300	4,185	64,485	67,768	64,434
9,835	7,302	17,137	139,389	134,376
6,978	14,165	21,143	167,763	144,704
16,326	(7,588)	8,738	20,015	35,790
105	(303)	(198)	3,176	18,289
2,247	5,820	8,067	12,245	18,652
-	-	-	896,560	894,811
168,592	-	168,592	218,661	189,512
68,154	25,283	93,437	314,315	296,593
4,491	8,869	13,360	65,733	62,135
38	6,522	6,560	6,560	8,408
54,276	5,374	59,650	59,650	55,605
-	-	-	550	-
172	459	631	14,714	23,406
<u>884,516</u>	<u>399,998</u>	<u>1,284,514</u>	<u>4,487,645</u>	<u>4,445,757</u>
-	-	-	387,771	338,103
<u>\$ 884,516</u>	<u>\$ 399,998</u>	<u>\$ 1,284,514</u>	<u>\$ 4,875,416</u>	<u>\$ 4,783,860</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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,211,662	\$ 918,999
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and accretion expense	387,771	338,103
Bad debt expense	550	-
Purchases of program rights	(869,486)	(835,133)
Amortization of program rights	832,960	826,787
Contributions restricted for long-term use	(2,467,700)	(153,489)
Realized and unrealized (gains) and losses, net	(1,520,754)	(138,364)
Forgiveness of debt	(459,600)	-
Change in:		
Accounts receivable	(50,599)	116,063
Grants and unconditional promises and bequests	(1,678,345)	(108,555)
Prepaid expenses and other assets	(27,139)	(18,035)
Accounts payable and accrued liabilities	(142,300)	113,430
Deferred revenues and support	-	(12,000)
Program rights payable	42,516	(16,443)
Net cash provided (used) by operating activities	<u>(740,464)</u>	<u>1,031,363</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(412,579)	(503,262)
Proceeds from sales and maturities of investments	709,991	1,450,942
Purchases of investments	<u>(1,153,906)</u>	<u>(2,484,163)</u>
Net cash used by investing activities	<u>(856,494)</u>	<u>(1,536,483)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of debt	-	495,863
Proceeds from contributions restricted for long-term use	2,467,700	153,489
Principal payments on capital leases	<u>(51,168)</u>	<u>(45,897)</u>
Net cash provided by financing activities	<u>2,416,532</u>	<u>603,455</u>
Net increase in cash and cash equivalents	819,574	98,335
<b>Cash and cash equivalents at beginning of year</b>	<u>1,961,817</u>	<u>1,863,482</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 2,781,391</u>	<u>\$ 1,961,817</u>
<b>Schedule of supplemental cash flow information:</b>		
Income taxes paid (refunded), net	<u>\$ (17,668)</u>	<u>\$ 27,680</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, 2020, 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, 2021 and 2020, 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, 2021. 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 \$14,083 and \$18,819 on unrelated business income in 2021 and 2020, 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 2016. However, the Council is still open to examination by taxing authorities from fiscal year 2016 forward. For the years ended September 30, 2021 and 2020, 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, 2021 and 2020, the Council incurred expenses related to advertising and promotional costs of \$218,661 and \$189,512, 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

##### *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, 2021 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 2023.

#### 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.

(Continued)

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

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

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

**Subsequent Events**

The Council has evaluated subsequent events through January 12, 2022, 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 three financial institutions. At September 30, 2021, the Council's cash and cash equivalents held in federally-insured depository accounts exceeded insured limits by \$2,003,161 in two financial institutions. At September 30, 2021, the Council's cash and cash equivalents held in uninsured accounts totaled \$286,647. 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.

**4 ACCOUNTS AND CONTRIBUTIONS RECEIVABLE**

Accounts receivable at September 30, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 158,870	\$ 108,571
Allowance for doubtful accounts	(5,546)	(5,296)
Accounts receivable, net	<u>\$ 153,324</u>	<u>\$ 103,275</u>

Contributions receivable consist of the following unconditional promises to give as of September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Grants and contributions receivable	\$ 2,497,289	\$ 820,988
Allowance for uncollectible pledges and unamortized discount (discount rate of 1.65%)	-	(2,044)
Grants and contributions receivable, net	<u>\$ 2,497,289</u>	<u>\$ 818,944</u>

The maturities of contributions receivable are as follows at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Less than one year:		
Grants receivable	\$ -	\$ 125,000
Contribution receivable	2,497,289	695,988
Grants and contributions receivable	<u>\$ 2,497,289</u>	<u>\$ 820,988</u>

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**5 INVESTMENTS**

Investments, including endowment investments, consisted of the following at September 30, 2021 and 2020:

	2021		2020	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Fixed income securities	\$ 4,196,362	\$ 4,253,590	\$ 3,760,861	\$ 3,799,087
Capital appreciation securities	4,376,604	6,951,872	4,431,434	5,441,706
Total investments	<u>\$ 8,572,966</u>	<u>\$ 11,205,462</u>	<u>\$ 8,192,295</u>	<u>\$ 9,240,793</u>

Investment return is summarized as follows:

	2021		
	<u>APTC</u>	<u>Endowment</u>	<u>Total</u>
Interest and dividends	\$ 10	\$ 344,788	\$ 344,798
Realized gains (losses)	(45)	(63,198)	(63,243)
Unrealized gains (losses)	-	1,583,997	1,583,997
Investment management fees	-	(11,187)	(11,187)
Investment return, net	<u>(35)</u>	<u>1,854,400</u>	<u>1,854,365</u>

Net asset classification of investment return:

Without restrictions	(35)	42,194	42,159
With restrictions	-	1,812,206	1,812,206
Investment return, net	<u>\$ (35)</u>	<u>\$ 1,854,400</u>	<u>\$ 1,854,365</u>

	2020		
	<u>APTC</u>	<u>Endowment</u>	<u>Total</u>
Interest and dividends	\$ 469	\$ 214,520	\$ 214,989
Realized gains (losses)	(128)	149,312	149,184
Unrealized gains (losses)	-	(10,820)	(10,820)
Investment management fees	-	(9,727)	(9,727)
Investment return, net	<u>341</u>	<u>343,285</u>	<u>343,626</u>

Net asset classification of investment return:

Without restrictions	341	7,774	8,115
With restrictions	-	335,511	335,511
Investment return, net	<u>\$ 341</u>	<u>\$ 343,285</u>	<u>\$ 343,626</u>

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, 2021 and 2020, the Council's investments were reported at fair value using a Level 1 measure.

**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:

	<u>2021</u>	<u>2020</u>
Land	\$ 497,456	\$ 497,456
Buildings and improvements	4,722,802	4,590,218
Transmitter, antenna, and tower	2,958,749	2,958,749
Studio and other broadcasting equipment, including \$216,764 in capital leases at September 30, 2021 and 2020	5,511,578	5,252,060
Office and transportation equipment	1,161,626	1,152,666
Construction in progress	136,493	124,977
Property and equipment, gross	<u>14,988,704</u>	<u>14,576,126</u>
Accumulated depreciation	<u>(11,571,628)</u>	<u>(11,191,667)</u>
Property and equipment, net	<u>\$ 3,417,076</u>	<u>\$ 3,384,459</u>

Depreciation expense for the years ended September 30, 2021 and 2020 amounted to \$379,962 and \$330,903, respectively.

The accumulated depreciation for property and equipment under capital leases for the years ended September 30, 2021 and 2020 was \$138,534 and \$95,154, respectively.

**7 DEBT**

*Line of Credit*

The Council has a revolving line of credit (the line) in the amount of \$500,000 with a bank maturing on August 25, 2023. Interest on funds drawn is at the Wall Street Journal prime rate plus 0.750 percent (3.25 percent at September 30, 2021). The line is collateralized by accounts receivable and equipment. At September 30, 2021 and 2020, no amounts were outstanding on the line.

*Note Payable*

Note payable consisted of a loan received in April 2020 under the Small Business Administration Paycheck Protection Program (PPP). In May 2021, this loan was forgiven in full since the Council met certain criteria for the purpose and timing of expenditures of the proceeds from the loan. The forgiven loan amount is recorded as government grant income in the year ended September 30, 2021.

**8 ASSET RETIREMENT OBLIGATION**

The Council has an asset retirement obligation of \$100,118 and \$92,309 as of September 30, 2021 and 2020, 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:

	<u>2021</u>	<u>2020</u>
Asset retirement obligation, beginning of year	\$ 92,309	\$ 85,109
Accretion expense	<u>7,809</u>	<u>7,200</u>
Asset retirement obligation, end of year	<u>\$ 100,118</u>	<u>\$ 92,309</u>



**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**9 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2021</u>	<u>2020</u>
Subject to expenditures for specified purpose or time periods:		
Returns on endowment for support of KLRN	\$ 3,947,670	\$ 2,512,768
Local production and programming	254,346	203,855
Education and outreach	202,811	196,330
Facility and equipment costs	<u>32,300</u>	<u>89,380</u>
Total net assets subject to expenditures for specified purpose or time periods	4,437,127	3,002,333
Subject to restrictions that are perpetual in nature:		
Endowment corpus for support of KLRN	<u>9,590,681</u>	<u>7,260,317</u>
Total net assets with donor restrictions	<u>\$ 14,027,808</u>	<u>\$ 10,262,650</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	\$ 377,304	\$ 350,822
Local production and programming	305,464	264,929
Education and outreach	615,389	150,400
Facility and equipment costs	<u>194,416</u>	<u>386,241</u>
Net assets released from restriction	<u>\$ 1,492,573</u>	<u>\$ 1,152,392</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.

**10 ENDOWMENT**

The Council's endowment consists of approximately twenty 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.

(Continued)

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**10 ENDOWMENT (Continued)**

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, 2021 and 2020.

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)

**10 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, 2021 and 2020 is as follows:

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary Restrictions	Corpus	
Donor-restricted endowment funds	\$ -	\$ 3,947,670	\$ 9,590,681	\$ 13,538,351
Board-designated endowment funds	256,813	-	-	256,813
<b>Total endowment funds</b>	<b>\$ 256,813</b>	<b>\$ 3,947,670</b>	<b>\$ 9,590,681</b>	<b>\$ 13,795,164</b>

	2020			
	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary Restrictions	Corpus	
Donor-restricted endowment funds	\$ -	\$ 2,512,768	\$ 7,260,317	\$ 9,773,085
Board-designated endowment funds	219,291	-	-	219,291
<b>Total endowment funds</b>	<b>\$ 219,291</b>	<b>\$ 2,512,768</b>	<b>\$ 7,260,317</b>	<b>\$ 9,992,376</b>

Changes in endowment net assets for the years ended September 30, 2021 and 2020 were as follows:

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary Restrictions	Corpus	
Endowment net assets, beginning of year	\$ 219,291	\$ 2,512,768	\$ 7,260,317	\$ 9,992,376
Interest and dividends	7,817	336,971	-	344,788
Realized gains (losses)	(1,437)	(61,761)	-	(63,198)
Unrealized gains (losses)	36,066	1,547,931	-	1,583,997
Investment management fees	(252)	(10,935)	-	(11,187)
Investment return, net	42,194	1,812,206	-	1,854,400
Contributions	1,107	-	2,330,364	2,331,471
Distributions	(383,083)	-	-	(383,083)
Appropriation for expenditure	377,304	(377,304)	-	-
<b>Endowment net assets, end of year</b>	<b>\$ 256,813</b>	<b>\$ 3,947,670</b>	<b>\$ 9,590,681</b>	<b>\$ 13,795,164</b>

(Continued)

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**10 ENDOWMENT (Continued)**

	2020			
	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary Restrictions	Corpus	
Endowment net assets, beginning of year	\$ 216,674	\$ 2,528,079	\$ 7,249,702	\$ 9,994,455
Interest and dividends	4,793	209,727	-	214,520
Realized gains (losses)	3,415	145,897	-	149,312
Unrealized gains (losses)	(212)	(10,608)	-	(10,820)
Investment management fees	(222)	(9,505)	-	(9,727)
Investment return, net	7,774	335,511	-	343,285
Contributions	505	-	10,615	11,120
Distributions	(356,484)	-	-	(356,484)
Appropriation for expenditure	350,822	(350,822)	-	-
Endowment net assets, end of year	<u>\$ 219,291</u>	<u>\$ 2,512,768</u>	<u>\$ 7,260,317</u>	<u>\$ 9,992,376</u>

**11 LEASES**

The Council leases certain equipment under operating leases which expire through 2024. The Council also leases equipment under two capital leases, which expire through 2025.

Total rent expense paid by the Council for the years ended September 30, 2021 and 2020, was \$40,982 and \$41,332, respectively.

Future minimum lease payments under these leases are:

<u>Year Ending June 30,</u>	<u>Capital Lease</u>	<u>Operating Leases</u>
2022	\$ 57,689	\$ 12,352
2023	32,933	12,521
2024	8,124	7,446
2025	3,385	-
	<u>102,131</u>	<u>\$ 32,319</u>
Less amount representing interest	(5,184)	
Net minimum capital lease payments	96,947	
Less current portion	(53,968)	
Long-term capital lease obligation	<u>\$ 42,979</u>	

The Council subleases equipment under various sublease agreements which run through 2023. Total rental income under these subleases was \$81,540 and \$78,575 for the years ended September 30, 2021 and 2020, respectively, and is included in other revenue on the statement of activities. Total future minimum lease payments due to the Council under these agreements are:

<u>Year Ending June 30,</u>	
2022	\$ 42,289
2023	43,981
	<u>\$ 86,270</u>

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**12 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, 2021 and 2020, are \$61,864 and \$58,486, respectively.

**13 SPLIT-INTEREST AGREEMENTS AND BEQUESTS**

*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. No revenue was received from this trust during the years ended September 30, 2021 and 2020.

During the year ended September 30, 2021, the Council learned that it was the beneficiary of a charitable remainder trust that is in the process of distributing its assets. The Council is to receive a plot of land from this trust. As a result, contribution revenue of \$1,900,000 has been recorded during the year ended September 30, 2021, and a corresponding receivable is included in the statement of financial position as of September 30, 2021. The value of that receivable is based on an appraisal of the plot, which management believes approximates fair value of the plot at the time that the Council learned of the gift.

*Bequests*

During the year ended September 30, 2020, the Council was named as a beneficiary of an estate. The Council is to receive a percentage of the estate's remaining assets after all assets have been liquidated and all other bequests made. To date, the Council has received \$550,000 in distributions from this estate, and recorded revenue of \$100,000 and \$450,000 during the years ended September 30, 2021 and 2020, respectively. Additional payments from this estate are expected, but the executor has not provided any information as to the possible amount of those payments. As such, no amount has been recorded in the financial statements for the Council's remaining interest in the assets of this estate.

**14 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 8, 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.

(Continued)

ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

14 SIGNIFICANT ESTIMATES AND CONCENTRATIONS (Continued)

*Revenue and Support Concentrations*

For the years ended September 30, 2021 and 2020, approximately 10.1% and 17.1%, respectively, or \$1,018,104 and \$973,657, respectively, of the Council's support and revenue came from CSGs distributed by the CPB.

In addition to CSGs distributed by CPB, the Council received additional funding from the CPB under the CARES Act (2020) and American Rescue Plan Act (2021), as well as federal support through the Paycheck Protection Program loan that was forgiven during the year ended September 30, 2021. Total federal support for the years ended September 30, 2021 and 2020 amounted to approximately 18.9% and 20.6%, respectively, or \$1,910,299 and \$1,173,657, respectively, of the Council's support and revenue.

During the year ended September 30, 2021, the Council recorded a receivable for a bequest valued at \$1,900,000, which amounted to approximately 18.8% of the Council's support and revenue for that year.

15 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	\$ 2,781,391
Accounts receivable, net	153,324
Unconditional promises, bequests, and grants receivable, net	2,497,289
Investments	11,205,462
Financial assets at year end	<u>16,637,466</u>
Less those unavailable for general expenditure within one year, due to:	
Donor-restricted to expenditure for specific purpose	(4,437,127)
Investments with donor restrictions that are perpetual in nature	<u>(9,590,681)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,609,658</u>

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 7, 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, 2021, the Council had financial assets and financing available to meet cash needs for general expenditure within one year that were equivalent to roughly 212 days of average operating expenses before depreciation and accretion.

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

(Continued)

**16 SUBSEQUENT EVENTS**

The COVID-19 pandemic developed rapidly in 2020, with a significant number of cases in the region. Measures taken by various governments to contain the virus, as well as changes in behavior by regular donors and event participants in response to the pandemic, have affected economic activity in our area. The Council has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for the Council's stakeholders.

Since April 2020, the impact on the Council has been significant, with significant shifts in revenue streams and a general shift towards social distancing practices and working from home for many Council employees as a result of measures intended to mitigate the pandemic. These disruptions have continued into the new fiscal year, and it is uncertain as to when the Council will be able to resume normal, routine operations. As such, it is difficult to predict the impact the pandemic might have on the Council's finances, other than the fact that temporary declines in certain revenues and expenses may continue into the new fiscal year. The Council will continue to follow government and expert advice and, in parallel, the Council will do its utmost to continue its operations in the best and safest way possible.

**SUPPLEMENTARY INFORMATION**



**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINING STATEMENT OF FINANCIAL POSITION**

**September 30, 2021**

	APTC			KLRN Endowment Fund, Inc.	Eliminations	Total
	Operating Fund	Plant Fund	Subtotal			
<b>ASSETS</b>						
<b>Assets:</b>						
Cash and cash equivalents	\$ 2,312,702	\$ 104,503	\$ 2,417,205	\$ 364,186	\$ -	\$ 2,781,391
Accounts receivable, net of allowance of \$5,546	138,422	-	138,422	14,902	-	153,324
Unconditional promises, bequests, and grants receivable, net of allowance and discount of \$-0-	308,703	-	308,703	2,188,586	-	2,497,289
Interfund transfers	34,768	(34,768)	-	-	-	-
Program rights	1,283,279	-	1,283,279	-	-	1,283,279
Prepaid expenses and other assets	305,617	-	305,617	24,000	-	329,617
Investments	-	-	-	11,205,462	-	11,205,462
Property and equipment, net	-	3,417,076	3,417,076	-	-	3,417,076
<b>Total assets</b>	<b>\$ 4,383,491</b>	<b>\$ 3,486,811</b>	<b>\$ 7,870,302</b>	<b>\$ 13,797,136</b>	<b>\$ -</b>	<b>\$ 21,667,438</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenses	373,172	100,118	473,290	1,972	-	475,262
Deferred revenues	-	-	-	-	-	-
Program rights payable	878,770	-	878,770	-	-	878,770
Lease payable	-	96,947	96,947	-	-	96,947
Note payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,251,942</b>	<b>197,065</b>	<b>1,449,007</b>	<b>1,972</b>	<b>-</b>	<b>1,450,979</b>
<b>Net assets:</b>						
Without donor restrictions:						
Unrestricted	2,674,392	-	2,674,392	-	-	2,674,392
Board designated unrestricted	-	-	-	256,813	-	256,813
Board designated for property and equipment	-	3,257,446	3,257,446	-	-	3,257,446
<b>Total net assets without donor restrictions</b>	<b>2,674,392</b>	<b>3,257,446</b>	<b>5,931,838</b>	<b>256,813</b>	<b>-</b>	<b>6,188,651</b>
With donor restrictions:						
Time or purpose restrictions	457,157	32,300	489,457	3,947,670	-	4,437,127
Restrictions that are perpetual in nature	-	-	-	9,590,681	-	9,590,681
<b>Total net assets with donor restrictions</b>	<b>457,157</b>	<b>32,300</b>	<b>489,457</b>	<b>13,538,351</b>	<b>-</b>	<b>14,027,808</b>
<b>Total net assets</b>	<b>3,131,549</b>	<b>3,289,746</b>	<b>6,421,295</b>	<b>13,795,164</b>	<b>-</b>	<b>20,216,459</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,383,491</b>	<b>\$ 3,486,811</b>	<b>\$ 7,870,302</b>	<b>\$ 13,797,136</b>	<b>\$ -</b>	<b>\$ 21,667,438</b>

**ALAMO PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**COMBINING STATEMENT OF ACTIVITIES**

**Year Ended September 30, 2021**

	<b>Without Donor Restrictions</b>					
	<b>APTC</b>			<b>KLRN Endowment Fund, Inc.</b>	<b>Eliminations</b>	<b>Subtotal</b>
	<b>Operating Fund</b>	<b>Plant Fund</b>	<b>Subtotal</b>			
<b>Support and revenue:</b>						
Special events:						
Gross revenue	\$ 3,680	\$ -	\$ 3,680	\$ -	\$ -	\$ 3,680
Less direct expenses	-	-	-	-	-	-
Net special events support	3,680	-	3,680	-	-	3,680
Membership contributions	2,244,057	-	2,244,057	-	-	2,244,057
Community service grants	1,018,104	-	1,018,104	-	-	1,018,104
Paycheck Protection Program grant	459,600	-	459,600	-	-	459,600
CPB ARPA grant	-	-	-	-	-	-
Contributions	328,326	-	328,326	1,100	-	329,426
Investment return	-	(35)	(35)	42,194	-	42,159
Education and outreach	146,540	-	146,540	-	-	146,540
Production	136,140	-	136,140	-	-	136,140
Program underwriting	276,588	-	276,588	-	-	276,588
Other	173,046	-	173,046	7	-	173,053
	<u>4,786,081</u>	<u>(35)</u>	<u>4,786,046</u>	<u>43,301</u>	<u>-</u>	<u>4,829,347</u>
Net assets released from restrictions	920,853	194,416	1,115,269	377,304	-	1,492,573
Total support and revenue	<u>5,706,934</u>	<u>194,381</u>	<u>5,901,315</u>	<u>420,605</u>	<u>-</u>	<u>6,321,920</u>
<b>Expenses:</b>						
Program services:						
Production	592,904	-	592,904	-	-	592,904
Programming	1,264,271	-	1,264,271	-	-	1,264,271
Public relations	361,062	-	361,062	-	-	361,062
Educational services	432,894	-	432,894	-	-	432,894
Engineering	552,000	387,771	939,771	-	-	939,771
Total program services expenses	<u>3,203,131</u>	<u>387,771</u>	<u>3,590,902</u>	<u>-</u>	<u>-</u>	<u>3,590,902</u>
Supporting services:						
Development	884,516	-	884,516	-	-	884,516
General and administrative	393,468	6,530	399,998	-	-	399,998
Total supporting services expenses	<u>1,277,984</u>	<u>6,530</u>	<u>1,284,514</u>	<u>-</u>	<u>-</u>	<u>1,284,514</u>
Total expenses	<u>4,481,115</u>	<u>394,301</u>	<u>4,875,416</u>	<u>-</u>	<u>-</u>	<u>4,875,416</u>
Change in net assets before transfers	1,225,819	(199,920)	1,025,899	420,605	-	1,446,504
Intracompany transfers	(221,022)	221,022	-	-	-	-
Transfer of endowment earnings	383,083	-	383,083	(383,083)	-	-
Change in net assets	1,387,880	21,102	1,408,982	37,522	-	1,446,504
<b>Net assets at beginning of year</b>	<u>1,286,512</u>	<u>3,236,344</u>	<u>4,522,856</u>	<u>219,291</u>	<u>-</u>	<u>4,742,147</u>
<b>Net assets at end of year</b>	<u>\$ 2,674,392</u>	<u>\$ 3,257,446</u>	<u>\$ 5,931,838</u>	<u>\$ 256,813</u>	<u>\$ -</u>	<u>\$ 6,188,651</u>

**With Donor Restrictions**

APTC						
Operating Fund	Plant Fund	Subtotal	KLRN Endowment Fund, Inc.	Eliminations	Subtotal	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,680
-	-	-	-	-	-	-
-	-	-	-	-	-	3,680
-	-	-	-	-	-	2,244,057
-	-	-	-	-	-	1,018,104
-	-	-	-	-	-	459,600
432,595	-	432,595	-	-	432,595	432,595
15,000	137,336	152,336	2,330,364	-	2,482,700	2,812,126
-	-	-	1,812,206	-	1,812,206	1,854,365
189,275	-	189,275	-	-	189,275	335,815
118,171	-	118,171	-	-	118,171	254,311
222,784	-	222,784	-	-	222,784	499,372
-	-	-	-	-	-	173,053
977,825	137,336	1,115,161	4,142,570	-	5,257,731	10,087,078
(920,853)	(194,416)	(1,115,269)	(377,304)	-	(1,492,573)	-
56,972	(57,080)	(108)	3,765,266	-	3,765,158	10,087,078
-	-	-	-	-	-	592,904
-	-	-	-	-	-	1,264,271
-	-	-	-	-	-	361,062
-	-	-	-	-	-	432,894
-	-	-	-	-	-	939,771
-	-	-	-	-	-	3,590,902
-	-	-	-	-	-	884,516
-	-	-	-	-	-	399,998
-	-	-	-	-	-	1,284,514
-	-	-	-	-	-	4,875,416
56,972	(57,080)	(108)	3,765,266	-	3,765,158	5,211,662
-	-	-	-	-	-	-
-	-	-	-	-	-	-
56,972	(57,080)	(108)	3,765,266	-	3,765,158	5,211,662
400,185	89,380	489,565	9,773,085	-	10,262,650	15,004,797
<u>\$ 457,157</u>	<u>\$ 32,300</u>	<u>\$ 489,457</u>	<u>\$ 13,538,351</u>	<u>\$ -</u>	<u>\$ 14,027,808</u>	<u>\$ 20,216,459</u>