

**ALABAMA PUBLIC TELEVISION**  
**COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

## TABLE OF CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	1 - 2
<b>COMBINED FINANCIAL STATEMENTS</b>	
Combined Statements of Net Position .....	3 - 4
Combined Statements of Activities .....	5 - 6
Combined Statements of Cash Flows .....	7
Notes to Combined Financial Statements .....	8 - 21
<b>SUPPLEMENTAL INFORMATION</b>	
Combined Schedule of Functional Expenses - 2016 and 2015 .....	22
<u>Legal Entities</u>	
Combining Schedule of Net Position by Legal Entity.....	23 – 24
Combining Schedule of Activities by Legal Entity .....	25 – 26
Combining Schedule of Cash Flows by Legal Entity.....	27
Schedule of Functional Expenses .....	28 – 29
<u>Television and Radio Operations</u>	
Combining Schedule of Net Position.....	30 – 31
Combining Schedule of Activities .....	32 – 33
Combining Schedule of Cash Flows.....	34
Schedule of Functional Expenses .....	35



OFFICE LOCATION  
510 OFFICE PARK DRIVE • SUITE 100  
BIRMINGHAM, AL 35223  
T 205.871.9973  
F 205.871.9983

MAILING ADDRESS  
P.O. Box 530095  
BIRMINGHAM, AL 35253-0095

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Alabama Public Television  
Birmingham, Alabama

We have audited the accompanying combined financial statements of Alabama Public Television (a nonprofit organization) which comprise the combined statements of net position as of September 30, 2016 and 2015, and the related combined statements of activities and cash flows for the years then ended, 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 combined financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 polices 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 Alabama Public Television as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedules and schedules of functional expenses on pages 22-35 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*D. Piazza LaRocca Heeter & Co., LLC*

February 1, 2017

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Net Position**  
**As of September 30, 2016 and 2015**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
Cash and cash equivalents		
State account	\$ 1,309,802	\$ 1,533,132
AETFAs	875,415	485,497
APTF	7,826	11,712
	<hr/>	<hr/>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>2,193,043</b>	<b>2,030,341</b>
	<hr/>	<hr/>
Other current assets		
Investments	4,746,584	4,380,676
Accounts receivable	206,502	292,040
Prepaid expenses	243,447	204,088
	<hr/>	<hr/>
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>5,196,533</b>	<b>4,876,804</b>
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	<b>7,389,576</b>	<b>6,907,145</b>
	<hr/>	<hr/>
<b>PROPERTY AND EQUIPMENT</b>		
Land	890,241	890,241
Transmission equipment and towers	28,077,336	27,902,075
Equipment	8,426,292	8,296,361
Furniture and fixtures	320,212	312,800
Buildings	5,480,291	5,480,291
Vehicles	499,457	449,957
In progress	-	10,171
	<hr/>	<hr/>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>43,693,829</b>	<b>43,341,896</b>
	<hr/>	<hr/>
Less: Accumulated depreciation	36,357,290	35,035,663
	<hr/>	<hr/>
<b>NET PROPERTY AND EQUIPMENT</b>	<b>7,336,539</b>	<b>8,306,233</b>
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 14,726,115</b>	<b>\$ 15,213,378</b>
	<hr/> <hr/>	<hr/> <hr/>

*See accompanying notes to the combined financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Net Position (Continued)**  
**As of September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>LIABILITIES AND NET POSITION</b>		
Accounts payable	\$ 432,208	\$ 238,468
Accrued salary and benefits	689,406	590,244
Other current liabilities	35,085	34,312
Unearned revenue	146,712	143,920
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,303,411</b>	<b>1,006,944</b>
Accrued salary and benefits - long term	202,805	230,959
<b>TOTAL LIABILITIES</b>	<b>1,506,216</b>	<b>1,237,903</b>
<b>NET POSITION</b>		
Unrestricted	12,370,009	12,626,186
Temporarily restricted	341,384	875,487
Permanently restricted	508,506	473,802
<b>TOTAL NET POSITION</b>	<b>13,219,899</b>	<b>13,975,475</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 14,726,115</b>	<b>\$ 15,213,378</b>

*See accompanying notes to the combined financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Activities**  
**For the Years Ended September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>CHANGES IN UNRESTRICTED NET POSITION</b>		
<b>SUPPORT AND REVENUES</b>		
Appropriation - State of Alabama	\$ 6,190,082	\$ 5,138,808
Corporation for Public Broadcasting	1,964,188	1,996,173
Contributions	2,603,719	2,502,240
Telecasting production and other income	2,613	3,658
Tower space and other rental	299,267	262,371
Grants and public broadcasting service revenues	353,289	312,376
Underwriting grants and contributions	830,518	793,909
Investment income (loss)	260,399	(127,627)
Interest income	49	46
In-kind support	220,398	249,779
Online education	31,295	27,835
Insurance proceeds	15,492	15,850
Other income	9,411	10,343
Net position released from restrictions	603,913	45,704
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUES</b>	<b>13,384,633</b>	<b>11,231,465</b>
<b>EXPENSES</b>		
Programming and production	5,057,281	4,679,627
Broadcasting	2,426,615	2,266,093
Program information	445,134	407,896
Management and general	2,509,396	2,168,844
Fundraising	1,190,943	1,288,211
Underwriting	165,530	160,821
Depreciation	1,798,917	2,515,392
<b>TOTAL UNRESTRICTED EXPENSES</b>	<b>13,593,816</b>	<b>13,486,884</b>
Net gain (loss) on disposal of fixed assets	(12,290)	334
<b>Decrease in unrestricted net position</b>	<b>(221,473)</b>	<b>(2,255,085)</b>

*See accompanying notes to the combined financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Activities (Continued)**  
**For the Years Ended September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET POSITION</b>		
Appropriation - State of Alabama	70	603,913
Gain (loss) on investments	69,740	(44,834)
Net position released from restrictions	(603,913)	(45,704)
<b>Increase (decrease) in temporarily restricted net position</b>	<b>(534,103)</b>	<b>513,375</b>
 <b>CHANGE IN NET POSITION</b>	 (755,576)	 (1,741,710)
 <b>NET POSITION - BEGINNING OF YEAR</b>	 13,975,475	 15,717,185
 <b>NET POSITION - END OF YEAR</b>	 \$ 13,219,899	 \$ 13,975,475

*See accompanying notes to the combined financial statements.*



**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Cash Flows**  
**For the Years Ended September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATIONS</b>		
Change in net position	\$ (755,576)	\$ (1,741,710)
Add items not requiring an outlay of cash:		
Depreciation	1,798,917	2,515,392
Unrealized (gain)/loss on investments	(330,139)	172,460
Change in assets and liabilities		
Accounts receivable (increase) decrease	85,538	(99,220)
Prepaid expense increase	(39,359)	(40,951)
Accounts payable increase	194,513	16,656
Accrued expenses increase	71,008	9,027
Unearned revenue increase (decrease)	2,792	(51,308)
	<b>1,027,694</b>	<b>780,346</b>
<b>NET CASH PROVIDED FROM OPERATIONS</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net purchase of investments	(35,769)	-
Additions to property and equipment	(841,513)	(195,601)
Disposition of property	12,290	(334)
	<b>(864,992)</b>	<b>(195,935)</b>
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
<b>INCREASE IN CASH</b>	<b>162,702</b>	<b>584,411</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>2,030,341</b>	<b>1,445,930</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 2,193,043</b>	<b>\$ 2,030,341</b>

*See accompanying notes to the combined financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

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

Organization

The combined financial statements of APT consist of three entities:

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

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

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

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

The Board of Directors of the AETFA consists of twelve (12) members, seven whom are the AETC Commissioners and five who are appointed at large. Total funds received and expended by the AETFA during the year are included in the Statement of Activities.

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

The Board of Directors of the APTF consists of four (4) ex-officio members who are the chair of the AETC, the chair of the AETFAs Board of Directors, the APT Executive Director, the APT Chief Legal Counsel/CFO, and six (6) members appointed at large with staggered terms of three years after the initial two year term.

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

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

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

Fund Accounting

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

The AETFAs receives and disburses funds on behalf of APT through its checking accounts.

Cash and Cash Equivalents

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

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Investments

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

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair market value on the date of donation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts and the gain or loss on such disposition is currently recognized.

Revenue

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

Expenditures

Expenditures are recorded when incurred.

Income Taxes

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

Fair Values of Financial Instruments

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

Cash, cash equivalents, and receivables: The carrying amounts reported in the combined statement of net position approximate fair values because of the short term maturities of those instruments.

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Use of Estimates in the Preparation of Combined Financial Statements

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

Financial Statement Presentation

APT has adopted Accounting Standards Codification (ASC) 958, "Financial Statements of Not-for-Profit Organizations." Under ASC 958, APT is required to report information regarding its combined financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Fair Value of Financial Instruments

APT has adopted ASC 820, *Fair Value Measurements and Disclosures*. In accordance with ASC 820, fair value is defined as the price that APT would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the APT's own assumptions in determining the fair value of investments)

See note 9, Investments, for a summary of the inputs used as of September 30, 2016 in determining the fair value of the AETFA's investments.

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Endowment Net Asset Classification of Funds

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

ASC 958-205-05-8 requires expanded disclosures surrounding the AETFA's endowment funds. The state of Alabama's UPMIFA legislation became effective on January 1, 2009. For states (including Alabama) which have enacted UPMIFA, ASC 958-205-05-8 may also require retrospective reclassification of net assets between unrestricted, temporarily restricted and/or permanently restricted categories. The expanded disclosures have been included in Note 10.

Uncertain Tax Positions

APT has implemented the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. As of September 30, 2016, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the combined financial statements. Previous open tax years may be subject to examination by taxing authorities.

Subsequent Events

Subsequent events have been evaluated through February 1, 2017, which is the date the combined financial statements were available to be issued.

**NOTE 2 - STATE OF ALABAMA APPROPRIATION**

AETC receives appropriations from the Alabama Special Education Trust Fund on a fiscal year basis as approved by the State Legislature and the Governor. For the years ended September 30, 2016 and 2015, the amounts received were \$6,190,152 and \$5,742,721 net of reversions, respectively.

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 3 - CORPORATION FOR PUBLIC BROADCASTING**

APT received grants from the Corporation for Public Broadcasting for the years ended September 30, 2016 and 2015 as follows:

**Summarized by category:**

<b>2016</b>	<b><u>TELEVISION</u></b>	<b><u>RADIO</u></b>	<b><u>TOTAL</u></b>
Community service grants	\$ 1,538,916	\$ 105,000	\$ 1,643,916
Interconnect payment – TV	28,222	-	28,222
Distance service grant	244,234	-	244,234
American Graduate Initiative	<u>47,816</u>	<u>-</u>	<u>47,816</u>
Total	<u>\$ 1,859,188</u>	<u>\$ 105,000</u>	<u>\$ 1,964,188</u>

<b>2015</b>	<b><u>TELEVISION</u></b>	<b><u>RADIO</u></b>	<b><u>TOTAL</u></b>
Community service grants	\$ 1,474,052	\$ 102,977	\$ 1,577,029
Interconnect payment – TV	26,667	-	26,667
Distance service grant	244,750	-	244,750
American Graduate Initiative	<u>147,727</u>	<u>-</u>	<u>147,727</u>
Total	<u>\$ 1,893,196</u>	<u>\$ 102,977</u>	<u>\$ 1,996,173</u>

**NOTE 4 - CONTRIBUTIONS**

Contributions consist of individual donors summarized as follows:

	<b><u>TELEVISION</u></b>	<b><u>RADIO</u></b>	<b><u>TOTAL</u></b>
<b>2016</b>	<u>\$ 2,172,372</u>	<u>\$ 431,347</u>	<u>\$ 2,603,719</u>
<b>2015</b>	<u>\$ 2,085,364</u>	<u>\$ 416,876</u>	<u>\$ 2,502,240</u>

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 5 - UNDERWRITING GRANTS AND CONTRIBUTIONS**

APT receives underwriting grants and contributions from businesses, universities and foundations. The total amounts received during fiscal years 2016 and 2015, which were all unrestricted were:

	<u>TELEVISION</u>	<u>RADIO</u>	<u>TOTAL</u>
<b>2016</b>	\$ <u>653,116</u>	\$ <u>177,402</u>	\$ <u>830,518</u>
<b>2015</b>	\$ <u>594,622</u>	\$ <u>199,287</u>	\$ <u>793,909</u>

**NOTE 6 - OPERATING LEASES**

APT has entered into several operating leases which expire on various dates for certain of its facilities and transmitter sites as well as its media content. Following is a schedule of future minimum rental payments required under these leases, as of September 30, 2016:

2017	\$ 365,064
2018	361,619
2019	361,619
2020	355,083
2021	355,083
Thereafter	<u>310,871</u>
Total	<u>\$ 2,109,339</u>

Total rent expense was \$2,652,915 and \$2,511,402 for the years ended September 30, 2016 and 2015, respectively.

**NOTE 7 - TOWER SPACE RENTALS**

APT is paid by several governmental agencies and private industry for rental of tower space on APT towers.



**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 8 - CASH AND CASH EQUIVALENTS**

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

	<u>2016</u>	<u>2015</u>
Checking accounts	\$ 882,241	\$ 1,263,996
Available State appropriations	1,309,802	765,345
Petty cash	<u>1,000</u>	<u>1,000</u>
Total cash and cash equivalents	<u>\$ 2,193,043</u>	<u>\$ 2,030,341</u>

**NOTE 9 – INVESTMENTS**

The AETFAs have a number of investment securities that are carried at fair value with unrealized gains and losses being recorded in the combined statement of activities.

	<b>September 30, 2016</b>		
	<u>Cost</u>	<u>Market Value</u>	<u>Market Value Over / (Under) Cost</u>
Common stock	\$ 1,100,872	\$ 1,327,463	\$ 226,591
Exchange & traded closed end	75,926	47,065	(28,861)
Money funds	716,959	716,959	-
Mutual funds	<u>2,580,123</u>	<u>2,655,097</u>	<u>74,974</u>
	<u>\$ 4,473,880</u>	<u>\$ 4,746,584</u>	<u>\$ 272,704</u>

	<b>September 30, 2015</b>		
	<u>Cost</u>	<u>Market Value</u>	<u>Market Value Over / (Under) Cost</u>
Common stock	\$ 1,098,782	\$ 1,242,955	\$ 144,173
Exchange & traded closed end	77,283	45,806	(31,477)
Money funds	576,614	576,614	-
Mutual funds	<u>2,666,176</u>	<u>2,515,301</u>	<u>(150,875)</u>
	<u>\$ 4,418,855</u>	<u>\$ 4,380,676</u>	<u>\$ (38,179)</u>

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 9 – INVESTMENTS - Continued**

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

The following is a summary of the inputs used as of September 30, 2016 in valuing AETFA's investments carried at fair value:

	<b>September 30, 2016</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
Common stock:				
Energy	\$ 14,792	\$ 14,792	\$ -	\$ -
Technology	292,251	292,251	-	-
Consumer goods	217,798	217,798	-	-
Health Care	148,193	148,193	-	-
Financial	246,541	246,541	-	-
Industrial goods	110,694	110,694	-	-
Basic materials	102,993	102,993	-	-
Utilities	25,133	25,133	-	-
Real Estate	1,816	1,816	-	-
Services	167,251	167,251	-	-
Exchange traded/closed end	47,065	47,065	-	-
Money market funds	716,959	716,959	-	-
Mutual funds:				
Bond funds	992,081	992,081	-	-
Balanced funds	534,226	534,226	-	-
Equity funds	<u>1,128,791</u>	<u>1,128,791</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 4,746,584</u>	<u>\$ 4,746,584</u>	<u>\$ -</u>	<u>\$ -</u>

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 9 – INVESTMENTS – Continued**

The following is a summary of significant valuation techniques for assets and liabilities measured at fair value on a recurring basis:

**Level 2 measurements**

*Treasury securities:* The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.

The following is a summary of the inputs used as of September 30, 2015 in valuing AETFA's investments carried at fair value:

	<b>September 30, 2015</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
Common stock:				
Energy	\$ 10,500	\$ 10,500	\$ -	\$ -
Technology	271,326	271,326	-	-
Consumer goods	217,352	217,352	-	-
Health Care	167,094	167,094	-	-
Financial	229,303	229,303	-	-
Industrial goods	90,241	90,241	-	-
Basic materials	91,853	91,853	-	-
Utilities	23,745	23,745	-	-
Real Estate	1,994	1,994	-	-
Services	139,547	139,547	-	-
Automotive	-	-	-	-
Exchange traded/closed end	45,806	45,806	-	-
Mortgage backed securities	-	-	-	-
Money market funds	576,614	576,614	-	-
Mutual funds:				
Bond funds	1,056,637	1,056,637	-	-
Balanced funds	471,750	471,750	-	-
Equity funds	986,914	986,914	-	-
Treasury securities	-	-	-	-
Total investments	<u>\$ 4,380,676</u>	<u>\$ 4,380,676</u>	<u>\$ -</u>	<u>\$ -</u>

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 9 – INVESTMENTS – Continued**

The following is a summary of significant valuation techniques for assets and liabilities measured at fair value on a recurring basis:

**Level 2 measurements**

*Treasury securities:* The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.

**NOTE 10 – ENDOWMENT**

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

Interpretation of Relevant Law

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

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted until those amounts are appropriated for expenditure by the AETFA in a manner consistent with the standard of prudence prescribed in Alabama UPMIFA. Notwithstanding the foregoing accounting classifications, unless the gift instrument creating a donor-restricted endowment fund expressly provides otherwise, the Board of the AETFA may, as provided in Alabama UPMIFA, from time to time, appropriate for expenditure such portion of the permanently restricted net assets as the Board of the AETFA determines is prudent. There have been no significant appropriations of endowment assets for expenditure for the years ended September 30, 2016 and 2015.

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 10 – ENDOWMENT – Continued**

The following analysis shows the changes in the endowment net assets for the year ended September 30, 2016 and 2015:

**September 30, 2016**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,136,296	\$ 271,574	\$ 473,802	\$ 1,881,672
Endowment gifts received	-	-	34,704	34,704
Interest and dividends	51,610	-	-	51,610
Net appreciation (realized and unrealized)	<u>49,976</u>	<u>69,740</u>	<u>-</u>	<u>119,716</u>
Endowment net assets, end of year	<u>\$ 1,237,882</u>	<u>\$ 341,314</u>	<u>\$ 508,506</u>	<u>\$ 2,087,702</u>

**September 30, 2015**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,206,167	\$ 317,408	\$ 473,802	\$ 1,997,377
Interest and dividends	65,790	-	-	65,790
Net appreciation (realized and unrealized)	<u>(135,661)</u>	<u>(45,834)</u>	<u>-</u>	<u>(181,495)</u>
Endowment net assets, end of year	<u>\$ 1,136,296</u>	<u>\$ 271,574</u>	<u>\$ 473,802</u>	<u>\$ 1,881,672</u>

**NOTE 11 - PROPERTY AND EQUIPMENT**

Assets are depreciated over their estimated useful lives ranging from 3 to 15 years for equipment and towers, and 31 years for buildings. Depreciation expense amounted to \$1,798,917 for 2016 and \$2,515,392 for 2015.

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 12 - IN-KIND SERVICES AND SUPPORT**

The organization receives significant support for their operations at no cost to APT. In-kind services and support are recorded as income and expense in the combined statement of activities.

The following categories show the various types of services and support provided to APT for the years ended September 30, 2016 and 2015:

<b>2016</b>	<b><u>TELEVISION</u></b>	<b><u>RADIO</u></b>	<b><u>TOTAL</u></b>
Advertising	\$ 26,752	\$ 2,475	\$ 29,227
Operating expenses	4,983	8,313	13,296
Fundraising	6,835	11,040	17,875
Land lease	<u>160,000</u>	<u>-</u>	<u>160,000</u>
Total	<u>\$ 198,570</u>	<u>\$ 21,828</u>	<u>\$ 220,398</u>

<b>2015</b>	<b><u>TELEVISION</u></b>	<b><u>RADIO</u></b>	<b><u>TOTAL</u></b>
Advertising	\$ 16,763	\$ 7,955	\$ 24,718
Operating expenses	7,487	9,922	17,409
Fundraising	29,325	18,327	47,652
Land lease	<u>160,000</u>	<u>-</u>	<u>160,000</u>
Total	<u>\$ 213,575</u>	<u>\$ 36,204</u>	<u>\$ 249,779</u>

**NOTE 13 - IN-KIND SUPPORT FROM STUDIOS**

APT receives programming and other professional services from its affiliated studio, The University of Alabama Center for Public Television and Radio. All or part of these services provided to APT are included in APT's filing with the Corporation for Public Broadcasting as nonfederal financial support for Community Service Grants calculations. The total support is not included in the combined statement of activities of APT. The amount of support from the studio is as follows for the year ended September 30, 2016 and 2015:

	<b><u>2016</u></b>	<b><u>2015</u></b>
University of Alabama	<u>\$ 486,215</u>	<u>\$ 718,514</u>

**ALABAMA PUBLIC TELEVISION**  
**Notes to Combined Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 14 - EMPLOYEE BENEFIT PLAN**

AETFFA sponsors a Simple IRA employee benefit plan, for the benefit of substantially all of its full-time employees of AETFFA. Any employee who is expected to earn more than \$5,000 is eligible to participate. AETFFA makes an employer contribution match of up to 3% of participating employees' salaries. AETFFA made contributions of \$46,131 and \$45,664 for the years ended September 30, 2016 and 2015, respectively.

## **SUPPLEMENTAL INFORMATION**



**ALABAMA PUBLIC TELEVISION**  
**Combined Schedule of Functional Expenses**  
**For the Year Ended September 30, 2016**

	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Grand Total
Salary, wages, and benefits	\$ 1,982,590	\$ 1,086,440	\$ 286,446	\$ 1,395,598	\$ 345,202	\$ 154,949	\$ -	\$ 5,251,225
Travel	83,656	43,686	5,924	14,680	2,843	6,330	-	\$ 157,119
Repairs & Maintenance	31,598	198,702	-	1,848	33,280	-	-	\$ 265,428
Rentals & Leases	2,305,551	2,543	2,028	341,892	608	293	-	\$ 2,652,915
Utilities	46,155	695,661	22,060	128,990	86,439	1,323	-	\$ 980,628
Professional Services	240,975	223,448	64,162	225,638	385,560	-	-	\$ 1,139,783
Supplies & Other Operating	284,819	176,135	64,514	400,750	337,011	2,635	-	\$ 1,265,864
Grants & Contract	81,937	-	-	-	-	-	-	\$ 81,937
Depreciation	-	-	-	-	-	-	1,798,917	\$ 1,798,917
	<u>\$ 5,057,281</u>	<u>\$ 2,426,615</u>	<u>\$ 445,134</u>	<u>\$ 2,509,396</u>	<u>\$ 1,190,943</u>	<u>\$ 165,530</u>	<u>\$ 1,798,917</u>	<u>\$ 13,593,816</u>

**Combined Schedule of Functional Expenses**  
**For the Year Ended September 30, 2015**

	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Grand Total
Salary, wages, and benefits	\$ 1,814,598	\$ 1,065,258	\$ 279,926	\$ 1,289,600	\$ 337,073	\$ 148,849	\$ -	\$ 4,935,304
Travel	72,100	38,608	5,969	18,248	1,906	7,226	-	\$ 144,057
Repairs & Maintenance	24,200	168,811	-	90	32,118	-	-	\$ 225,219
Rentals & Leases	2,169,653	2,762	230	337,807	604	346	-	\$ 2,511,402
Utilities	44,854	721,057	23,671	94,073	87,662	1,380	-	\$ 972,697
Professional Services	196,444	100,189	44,991	92,016	357,933	-	-	\$ 791,573
Supplies & Other Operating	267,117	169,408	53,109	337,010	470,915	3,020	-	\$ 1,300,579
Grants & Contract	90,661	-	-	-	-	-	-	\$ 90,661
Depreciation	-	-	-	-	-	-	2,515,392	\$ 2,515,392
	<u>\$ 4,679,627</u>	<u>\$ 2,266,093</u>	<u>\$ 407,896</u>	<u>\$ 2,168,844</u>	<u>\$ 1,288,211</u>	<u>\$ 160,821</u>	<u>\$ 2,515,392</u>	<u>\$ 13,486,884</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Net Position by Legal Entity**  
**As of September 30, 2016**

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>Eliminations</u>	<u>APT COMBINED</u>
<b>ASSETS</b>					
Cash and cash equivalents					
State account	\$ 1,309,802	\$ -	\$ -	\$ -	\$ 1,309,802
AETFA	-	875,415	-	-	875,415
APTF	-	-	7,826	-	7,826
<b>TOTAL CASH</b>	<u>1,309,802</u>	<u>875,415</u>	<u>7,826</u>	<u>-</u>	<u>2,193,043</u>
Other current assets					
Investments	-	4,746,584	-	-	4,746,584
Accounts receivable	79,355	79,455	47,692	-	206,502
Intercompany due from	345,965	44,997	83,244	(474,206)	-
Prepaid expenses	110,003	120,547	12,897	-	243,447
<b>TOTAL OTHER CURRENT ASSETS</b>	<u>535,323</u>	<u>4,991,583</u>	<u>143,833</u>	<u>(474,206)</u>	<u>5,196,533</u>
<b>TOTAL CURRENT ASSETS</b>	<u>1,845,125</u>	<u>5,866,998</u>	<u>151,659</u>	<u>(474,206)</u>	<u>7,389,576</u>
<b>PROPERTY AND EQUIPMENT</b>					
Land	280,645	609,596	-	-	890,241
Transmission equipment and towers	28,076,737	599	-	-	28,077,336
Equipment	8,392,048	33,954	290	-	8,426,292
Furniture and fixtures	305,293	14,919	-	-	320,212
Buildings	4,142,617	1,337,674	-	-	5,480,291
Vehicles	279,700	219,757	-	-	499,457
In progress	-	-	-	-	-
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>41,477,040</u>	<u>2,216,499</u>	<u>290</u>	<u>-</u>	<u>43,693,829</u>
Less: Accumulated depreciation	<u>35,516,882</u>	<u>840,316</u>	<u>92</u>	<u>-</u>	<u>36,357,290</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>5,960,158</u>	<u>1,376,183</u>	<u>198</u>	<u>-</u>	<u>7,336,539</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,805,283</u>	<u>\$ 7,243,181</u>	<u>\$ 151,857</u>	<u>\$ (474,206)</u>	<u>\$ 14,726,115</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Net Position by Legal Entity (Continued)**  
**As of September 30, 2016**

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>Eliminations</u>	<u>APT COMBINED</u>
<b>LIABILITIES AND NET POSITION</b>					
Accounts payable	\$ 243,235	\$ 188,973	\$ -	\$ -	\$ 432,208
Intercompany due to	57,497	416,709	-	(474,206)	-
Accrued salary and benefits	493,894	195,512	-	-	689,406
Other current liabilities	-	29,855	5,230	-	35,085
Unearned revenue	20,215	53,267	73,230	-	146,712
<b>TOTAL CURRENT LIABILITIES</b>	<u>814,841</u>	<u>884,316</u>	<u>78,460</u>	<u>(474,206)</u>	<u>1,303,411</u>
Accrued salary and benefits - long term	95,495	107,310	-	-	202,805
<b>TOTAL LIABILITIES</b>	<u>910,336</u>	<u>991,626</u>	<u>78,460</u>	<u>(474,206)</u>	<u>1,506,216</u>
<b>NET POSITION</b>					
Unrestricted	6,894,877	5,401,735	73,397	-	12,370,009
Temporarily restricted	70	341,314	-	-	341,384
Permanently restricted	-	508,506	-	-	508,506
<b>TOTAL NET POSITION</b>	<u>6,894,947</u>	<u>6,251,555</u>	<u>73,397</u>	<u>-</u>	<u>13,219,899</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 7,805,283</u>	<u>\$ 7,243,181</u>	<u>\$ 151,857</u>	<u>\$ (474,206)</u>	<u>\$ 14,726,115</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Activities by Legal Entity**  
**For the Year Ended September 30, 2016**

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>APT COMBINED</u>
<b>CHANGES IN UNRESTRICTED NET POSITION</b>				
<b>SUPPORT AND REVENUES</b>				
Appropriation - State of Alabama	\$ 6,190,082	\$ -	\$ -	\$ 6,190,082
Corporation for Public Broadcasting	-	1,964,188	-	1,964,188
Contributions	-	431,348	2,172,371	2,603,719
Telecasting production and other income	2,613	-	-	2,613
Tower space and other rental	299,267	-	-	299,267
Grants and Public Broadcasting Service revenues	14,714	338,575	-	353,289
Underwriting grants and contributions	-	177,402	653,116	830,518
Investment income	-	260,399	-	260,399
Interest income	-	49	-	49
In-kind support	-	220,398	-	220,398
Online education	-	31,295	-	31,295
Insurance proceeds	15,492	-	-	15,492
Other income	8,875	536	-	9,411
Net position released from restrictions	603,913	-	-	603,913
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUES</b>	<u>7,134,956</u>	<u>3,424,190</u>	<u>2,825,487</u>	<u>13,384,633</u>
<b>EXPENSES</b>				
Programming and production	2,225,176	2,832,105	-	5,057,281
Broadcasting	2,196,967	229,648	-	2,426,615
Program information	220,989	224,145	-	445,134
Management and general	1,714,654	715,808	78,934	2,509,396
Fundraising	-	422,639	768,304	1,190,943
Underwriting	-	159,968	5,562	165,530
Depreciation	1,749,254	49,570	93	1,798,917
<b>TOTAL UNRESTRICTED EXPENSES</b>	<u>8,107,040</u>	<u>4,633,883</u>	<u>852,893</u>	<u>13,593,816</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Activities by Legal Entity (Continued)**  
**For the Year Ended September 30, 2016**

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>APT COMBINED</u>
<b>CHANGE IN UNRESTRICTED NET POSITION - Continued</b>				
Loss on disposal of fixed assets	(12,290)	-	-	(12,290)
Interdepartmental transfers	356,007	1,675,912	(2,031,919)	-
<b>(Decrease) increase in unrestricted net position</b>	<b>\$ (628,367)</b>	<b>\$ 466,219</b>	<b>\$ (59,325)</b>	<b>\$ (221,473)</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET POSITION</b>				
Appropriation - State of Alabama	70	-	-	70
Investment gains	-	69,740	-	69,740
Net position released from restrictions	(603,913)	-	-	(603,913)
<b>Increase (decrease) in temporarily restricted net position</b>	<b>(603,843)</b>	<b>69,740</b>	<b>-</b>	<b>(534,103)</b>
<b>Increase (decrease) in net position</b>	<b>(1,232,210)</b>	<b>535,959</b>	<b>(59,325)</b>	<b>(755,576)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>8,127,157</b>	<b>5,715,596</b>	<b>132,722</b>	<b>13,975,475</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 6,894,947</b>	<b>\$ 6,251,555</b>	<b>\$ 73,397</b>	<b>\$ 13,219,899</b>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Combining Statements of Cash Flows by Legal Entity**  
**For the Year Ended September 30, 2016**

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>Total APT</u>
<b>CASH FLOWS FROM OPERATIONS</b>				
Change in net position	\$ (1,232,210)	\$ 535,959	\$ (59,325)	\$ (755,576)
Add items not requiring an outlay of cash:				
Depreciation	1,749,254	49,570	93	1,798,917
Unrealized gain on investments	-	(330,139)	-	(330,139)
Change in assets and liabilities				
Accounts receivable (increase) decrease	(27,454)	160,684	(47,692)	85,538
Prepaid expense (increase) decrease	(55,597)	29,135	(12,897)	(39,359)
Accounts payable increase	81,803	107,480	5,230	194,513
Accrued expenses increase	44,522	26,486	-	71,008
Unearned revenue increase (decrease)	565	(71,003)	73,230	2,792
Intercompany net (increase) decrease	35,579	(73,345)	37,766	-
<b>NET CASH PROVIDED FROM (USED IN) OPERATIONS</b>	<u>596,462</u>	<u>434,827</u>	<u>(3,595)</u>	<u>1,027,694</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net purchase of investments	-	(35,769)	-	(35,769)
Additions to property and equipment	(832,082)	(9,140)	(291)	(841,513)
Disposition of property	12,290	-	-	12,290
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<u>(819,792)</u>	<u>(44,909)</u>	<u>(291)</u>	<u>(864,992)</u>
<b>INCREASE (DECREASE) IN CASH</b>	(223,330)	389,918	(3,886)	162,702
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,533,132</u>	<u>485,497</u>	<u>11,712</u>	<u>2,030,341</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,309,802</u>	<u>\$ 875,415</u>	<u>\$ 7,826</u>	<u>\$ 2,193,043</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Schedule of Functional Expenses - Alabama Educational Television Commission**  
**For the Year Ended September 30, 2016**

	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Grand Total
Salary, wages, and benefits	\$ 385,296	\$ 992,349	\$ 219,654	\$ 965,063	\$ -	\$ -	\$ -	\$ 2,562,362
Travel	4,842	30,551	34	4,040	-	-	-	\$ 39,467
Repairs & Maintenance	29,280	180,526	-	920	-	-	-	\$ 210,726
Rentals & Leases	1,733,957	-	-	336,238	-	-	-	\$ 2,070,195
Utilities	41,021	686,263	-	119,969	-	-	-	\$ 847,253
Professional Services	5,096	160,918	-	103,668	-	-	-	\$ 269,682
Supplies & Other Operating	25,684	146,360	1,301	184,756	-	-	-	\$ 358,101
Grants & Contract	-	-	-	-	-	-	-	\$ -
Depreciation	-	-	-	-	-	-	1,749,254	\$ 1,749,254
	<u>\$ 2,225,176</u>	<u>\$ 2,196,967</u>	<u>\$ 220,989</u>	<u>\$ 1,714,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,749,254</u>	<u>\$ 8,107,040</u>

**Schedule of Functional Expenses - Alabama Educational Television Foundation Authority**  
**For the Year Ended September 30, 2015**

	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Grand Total
Salary, wages, and benefits	\$ 1,597,294	\$ 94,091	\$ 66,792	\$ 430,535	\$ 345,202	\$ 154,949	\$ -	\$ 2,688,863
Travel	78,814	13,135	5,890	10,640	-	4,194	-	\$ 112,673
Repairs & Maintenance	2,318	18,176	-	928	11,805	-	-	\$ 33,227
Rentals & Leases	571,594	2,543	2,028	125	-	-	-	\$ 576,290
Utilities	5,134	9,398	22,060	9,021	5,551	-	-	\$ 51,164
Professional Services	235,879	62,530	64,162	79,720	25,774	-	-	\$ 468,065
Supplies & Other Operating	259,135	29,775	63,213	184,839	34,307	825	-	\$ 572,094
Grants & Contract	81,937	-	-	-	-	-	-	\$ 81,937
Depreciation	-	-	-	-	-	-	49,570	\$ 49,570
	<u>\$ 2,832,105</u>	<u>\$ 229,648</u>	<u>\$ 224,145</u>	<u>\$ 715,808</u>	<u>\$ 422,639</u>	<u>\$ 159,968</u>	<u>\$ 49,570</u>	<u>\$ 4,633,883</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Schedule of Functional Expenses - The APT Foundation**  
**For the Year Ended September 30, 2016**

	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Grand Total
Salary, wages, and benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	2,843	2,136	-	\$ 4,979
Repairs & Maintenance	-	-	-	-	21,475	-	-	\$ 21,475
Rentals & Leases	-	-	-	5,529	608	293	-	\$ 6,430
Utilities	-	-	-	-	80,888	1,323	-	\$ 82,211
Professional Services	-	-	-	42,250	359,786	-	-	\$ 402,036
Supplies & Other Operating	-	-	-	31,155	302,704	1,810	-	\$ 335,669
Grants & Contract	-	-	-	-	-	-	-	\$ -
Depreciation	-	-	-	-	-	-	93	\$ 93
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,934</u>	<u>\$ 768,304</u>	<u>\$ 5,562</u>	<u>\$ 93</u>	<u>\$ 852,893</u>

*See auditor's report.*



**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Net Position**  
**as of September 30, 2016**

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents			
State accounts	\$ 1,309,802	\$ -	\$ 1,309,802
AETFA	860,973	14,442	875,415
APTF	7,826	-	7,826
<b>TOTAL CASH</b>	<u>2,178,601</u>	<u>14,442</u>	<u>2,193,043</u>
Other current assets			
Investments	4,746,584	-	4,746,584
Accounts receivables	189,333	17,169	206,502
Prepaid expenses	238,946	4,501	243,447
<b>TOTAL OTHER CURRENT ASSETS</b>	<u>5,174,863</u>	<u>21,670</u>	<u>5,196,533</u>
<b>TOTAL CURRENT ASSETS</b>	<u>7,353,464</u>	<u>36,112</u>	<u>7,389,576</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land	890,241	-	890,241
Transmission equipment and towers	27,528,354	548,982	28,077,336
Equipment	8,341,951	84,341	8,426,292
Furniture and fixtures	271,055	49,157	320,212
Buildings	5,480,291	-	5,480,291
Vehicles	475,491	23,966	499,457
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>42,987,383</u>	<u>706,446</u>	<u>43,693,829</u>
Less: Accumulated depreciation	<u>35,866,847</u>	<u>490,443</u>	<u>36,357,290</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>7,120,536</u>	<u>216,003</u>	<u>7,336,539</u>
<b>TOTAL ASSETS</b>	<u>\$ 14,474,000</u>	<u>\$ 252,115</u>	<u>\$ 14,726,115</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Net Position (Continued)**  
**as of September 30, 2016**

	<b>Television</b>	<b>Radio</b>	<b>COMBINED TOTAL</b>
<b>LIABILITIES AND NET POSITION</b>			
Accounts payable	\$ 404,409	\$ 27,799	\$ 432,208
Accrued salary and benefits	653,944	35,462	689,406
Other current liabilities	35,085	-	35,085
Unearned revenue	146,712	-	146,712
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,240,150</b>	<b>63,261</b>	<b>1,303,411</b>
Accrued salary and benefits - long term	189,734	13,071	202,805
<b>TOTAL LIABILITIES</b>	<b>1,429,884</b>	<b>76,332</b>	<b>1,506,216</b>
<b>NET POSITION</b>			
Unrestricted	12,194,226	175,783	12,370,009
Temporarily restricted	341,384	-	341,384
Permanently restricted	508,506	-	508,506
<b>TOTAL NET POSITION</b>	<b>13,044,116</b>	<b>175,783</b>	<b>13,219,899</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 14,474,000</b>	<b>\$ 252,115</b>	<b>\$ 14,726,115</b>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Activities**  
**For the Year Ended September 30, 2016**

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
<b>CHANGES IN UNRESTRICTED NET POSITION</b>			
<b>SUPPORT AND REVENUES</b>			
Appropriation - State of Alabama	\$ 5,776,554	\$ 413,528	\$ 6,190,082
Corporation for Public Broadcasting	1,859,188	105,000	1,964,188
Contributions	2,172,372	431,347	2,603,719
Telecasting production and other income	2,613	-	2,613
Tower space and other rental	299,267	-	299,267
Grants and Public Broadcasting Service revenues	353,289	-	353,289
Underwriting grants and contributions	653,116	177,402	830,518
Investment income	260,399	-	260,399
Interest income	-	49	49
In-kind support	198,570	21,828	220,398
Online education	31,295	-	31,295
Insurance proceeds	15,492	-	15,492
Other income	9,411	-	9,411
Net position released from restrictions	603,913	-	603,913
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUES</b>	<u>12,235,479</u>	<u>1,149,154</u>	<u>13,384,633</u>
<b>EXPENSES</b>			
Programming and production	4,538,668	518,613	5,057,281
Broadcasting	2,381,402	45,213	2,426,615
Program information	435,229	9,905	445,134
Management and general	2,369,689	139,707	2,509,396
Fundraising	1,103,491	87,452	1,190,943
Underwriting	119,522	46,008	165,530
Depreciation	1,763,336	35,581	1,798,917
<b>TOTAL UNRESTRICTED EXPENSES</b>	<u>12,711,337</u>	<u>882,479</u>	<u>13,593,816</u>
<b>Loss on disposal of fixed assets</b>	(12,290)	-	(12,290)
<b>Interdepartmental transfers</b>	<u>329,859</u>	<u>(329,859)</u>	<u>-</u>
<b>Decrease in unrestricted net position</b>	(158,289)	(63,184)	(221,473)

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Activities (Continued)**  
**For the Year Ended September 30, 2016**

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
<b>CHANGE IN UNRESTRICTED NET POSITION - Continued</b>			
<b>Decrease in unrestricted net position</b>	\$ (158,289)	\$ (63,184)	\$ (221,473)
<b>CHANGES IN TEMPORARILY RESTRICTED NET POSITION</b>			
Appropriation - State of Alabama	70	-	70
Gain on investments	69,740	-	69,740
Net position released from restrictions	(603,913)	-	(603,913)
<b>Decrease in temporarily restricted net position</b>	<u>(534,103)</u>	<u>-</u>	<u>(534,103)</u>
<b>Decrease in net position</b>	(692,392)	(63,184)	(755,576)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>13,736,508</u>	<u>238,967</u>	<u>13,975,475</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 13,044,116</u>	<u>\$ 175,783</u>	<u>\$ 13,219,899</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Statements of Cash Flows**  
**For the Year Ended September 30, 2016**

	<u>Television</u>	<u>Radio</u>	<u>Total APT</u>
<b>CASH FLOWS FROM OPERATIONS</b>			
Change in net position	\$ (692,392)	\$ (63,184)	\$ (755,576)
Add items not requiring an outlay of cash:			
Depreciation	1,763,336	35,581	1,798,917
Unrealized gain on investments	(330,139)	-	(330,139)
Change in assets and liabilities			
Accounts receivable decrease	82,916	2,622	85,538
Prepaid expense increase	(35,332)	(4,027)	(39,359)
Accounts payable increase	183,587	10,926	194,513
Accrued expenses increase	61,060	9,948	71,008
Unearned revenue increase (decrease)	4,561	(1,769)	2,792
<b>NET CASH PROVIDED FROM (USED IN) OPERATIONS</b>	<u>1,037,597</u>	<u>(9,903)</u>	<u>1,027,694</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net sale of investments	(35,769)	-	(35,769)
Additions to property and equipment	(824,137)	(17,376)	(841,513)
Disposition of property	12,290	-	12,290
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<u>(847,616)</u>	<u>(17,376)</u>	<u>(864,992)</u>
<b>INCREASE (DECREASE) IN CASH</b>	189,981	(27,279)	162,702
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,988,620</u>	<u>41,721</u>	<u>2,030,341</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,178,601</u>	<u>\$ 14,442</u>	<u>\$ 2,193,043</u>

*See auditor's report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Schedule of Functional Expenses - Television Operations**  
**For the Year Ended September 30, 2016**

	<b>Programming and Production</b>	<b>Broadcasting</b>	<b>Program Information and Promotion</b>	<b>Management and General</b>	<b>Fundraising and Membership Development</b>	<b>Underwriting</b>	<b>Depreciation</b>	<b>Grand Total</b>
Salary, wages, and benefits	\$ 1,780,781	\$ 1,086,440	\$ 286,446	\$ 1,299,087	\$ 335,187	\$ 113,959	\$ -	\$ 4,901,900
Travel	83,656	43,686	5,924	14,193	2,843	2,136	-	\$ 152,438
Repairs & Maintenance	31,598	198,494	-	1,615	21,475	-	-	\$ 253,182
Rentals & Leases	2,017,690	2,543	2,028	317,210	608	293	-	\$ 2,340,372
Utilities	46,155	674,352	22,060	116,743	80,888	1,323	-	\$ 941,521
Professional Services	233,161	211,448	60,022	225,638	359,786	-	-	\$ 1,090,055
Supplies & Other Operating	263,690	164,439	58,749	395,203	302,704	1,811	-	\$ 1,186,596
Grants & Contract	81,937	-	-	-	-	-	-	\$ 81,937
Depreciation	-	-	-	-	-	-	1,763,336	\$ 1,763,336
	<u>\$ 4,538,668</u>	<u>\$ 2,381,402</u>	<u>\$ 435,229</u>	<u>\$ 2,369,689</u>	<u>\$ 1,103,491</u>	<u>\$ 119,522</u>	<u>\$ 1,763,336</u>	<u>\$ 12,711,337</u>

**For the Year Ended September 30, 2016**

	<b>Programming and Production</b>	<b>Broadcasting</b>	<b>Program Information and Promotion</b>	<b>Management and General</b>	<b>Fundraising and Membership Development</b>	<b>Underwriting</b>	<b>Depreciation</b>	<b>Grand Total</b>
Salary, wages, and benefits	\$ 201,809	\$ -	\$ -	\$ 96,511	\$ 10,015	\$ 40,990	\$ -	\$ 349,325
Travel	-	-	-	487	-	4,194	-	\$ 4,681
Repairs & Maintenance	-	208	-	233	11,805	-	-	\$ 12,246
Rentals & Leases	287,861	-	-	24,682	-	-	-	\$ 312,543
Utilities	-	21,309	-	12,247	5,551	-	-	\$ 39,107
Professional Services	7,814	12,000	4,140	-	25,774	-	-	\$ 49,728
Supplies & Other Operating	21,129	11,696	5,765	5,547	34,307	824	-	\$ 79,268
Grants & Contract	-	-	-	-	-	-	-	\$ -
Depreciation	-	-	-	-	-	-	35,581	\$ 35,581
	<u>\$ 518,613</u>	<u>\$ 45,213</u>	<u>\$ 9,905</u>	<u>\$ 139,707</u>	<u>\$ 87,452</u>	<u>\$ 46,008</u>	<u>\$ 35,581</u>	<u>\$ 882,479</u>

*See auditor's report.*