

Alabama Public Television

Financial Statements September 30, 2019 and 2018



ALABAMA PUBLIC TELEVISION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 – 2
 FINANCIAL STATEMENTS	
Combined Statements of Net Position	3 – 4
Combined Statements of Activities	5 – 6
Combined Statements of Functional Expenses - 2019 and 2018.....	7
Combined Statements of Cash Flows	8
Notes to the Combined Financial Statements	9 – 27
 SUPPLEMENTAL INFORMATION	
<u>Legal Entities</u>	
Combining Schedule of Net Position by Legal Entity	28 – 29
Combining Schedule of Activities by Legal Entity	30 – 31
Statement of Functional Expenses by Legal Entity	32 – 33
Combining Schedule of Cash Flows by Legal Entity.....	34
 <u>Television and Radio Operations</u>	
Combining Schedule of Net Position.....	35 – 36
Combining Schedule of Activities	37 – 38
Statement of Functional Expenses	39
Combining Schedule of Cash Flows.....	40

Independent Auditor's Report

Board of Directors
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, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Report on Supplementary Information

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

KASSOUF & CO., P.C.



Certified Public Accountants

February 18, 2020

ALABAMA PUBLIC TELEVISION
Combined Statements of Net Position
As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents		
State account	\$ 4,401,191	\$ 3,355,317
AETFA	1,190,015	833,472
Money market	92,618	79,701
APTF	<u>119,005</u>	<u>48,018</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>5,802,829</u>	<u>4,316,508</u>
Other current assets		
Investments	5,540,763	5,363,720
Accounts receivable	295,522	1,291,205
Prepaid expenses	<u>270,998</u>	<u>293,787</u>
TOTAL OTHER CURRENT ASSETS	<u>6,107,283</u>	<u>6,948,712</u>
TOTAL CURRENT ASSETS	<u>11,910,112</u>	<u>11,265,220</u>
PROPERTY AND EQUIPMENT		
Land	890,241	890,241
Transmission equipment and towers	27,408,201	28,484,327
Equipment	7,711,592	7,831,815
Furniture and fixtures	331,035	321,778
Buildings	5,576,603	5,585,176
Vehicles	<u>500,627</u>	<u>532,133</u>
TOTAL PROPERTY AND EQUIPMENT	<u>42,418,299</u>	<u>43,645,470</u>
Less: Accumulated depreciation	<u>35,035,145</u>	<u>36,070,097</u>
NET PROPERTY AND EQUIPMENT	<u>7,383,154</u>	<u>7,575,373</u>
TOTAL ASSETS	<u><u>\$ 19,293,266</u></u>	<u><u>\$ 18,840,593</u></u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Net Position (Continued)
As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
LIABILITIES AND NET POSITION		
Accounts payable	\$ 284,798	\$ 992,374
Accrued salary and benefits	717,349	661,334
Other current liabilities	12,051	18,217
Unearned revenue	<u>174,818</u>	<u>193,064</u>
TOTAL CURRENT LIABILITIES	<u>1,189,016</u>	<u>1,864,989</u>
Accrued salary and benefits - long term	<u>200,908</u>	<u>207,371</u>
TOTAL LIABILITIES	<u>1,389,924</u>	<u>2,072,360</u>
NET POSITION		
Net position without donor restrictions	14,807,602	14,382,227
Net position with donor restrictions	<u>3,095,740</u>	<u>2,386,006</u>
TOTAL NET POSITION	<u>17,903,342</u>	<u>16,768,233</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 19,293,266</u></u>	<u><u>\$ 18,840,593</u></u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Activities
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUES		
Appropriation - State of Alabama	\$ 6,228,634	\$ 6,825,396
Corporation for Public Broadcasting	2,292,690	1,995,178
Contributions	2,664,040	2,626,572
Telecasting production and other income	12,141	6,238
Tower space and other rental	371,088	329,504
Grants and contracts	601,752	451,178
Underwriting grants and contributions	825,893	770,075
Investment income	151,217	229,753
Interest income	59	70
In-kind support	119,689	130,262
Special event revenue	-	1,420
Online education	48,781	20,376
Federal Communication Commission repacking	54,233	1,292,146
Other income	72,405	8,474
Net position released from restrictions	<u>1,395,437</u>	<u>1,407,815</u>
TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	<u>14,838,059</u>	<u>16,094,457</u>
EXPENSES		
Program Services:		
Programming and production	6,339,767	5,901,826
Broadcasting	2,585,452	2,423,485
Program information	<u>624,415</u>	<u>509,639</u>
Total Program Services	<u>9,549,634</u>	<u>8,834,950</u>
Supporting Services:		
Management and general	2,396,697	2,357,282
Fundraising	1,218,744	1,235,419
Underwriting	298,026	281,805
Depreciation	<u>948,099</u>	<u>1,050,010</u>
Total Supporting Services	<u>4,861,566</u>	<u>4,924,516</u>
TOTAL EXPENSES	<u>14,411,200</u>	<u>13,759,466</u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Activities (Continued)
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net (loss) gain on disposal of fixed assets	(1,483)	14,956
Increase in net position without donor restrictions	425,376	2,349,947
CHANGES IN NET POSITION WITH DONOR RESTRICTIONS		
Appropriation - State of Alabama	2,071,278	1,395,437
Investment income	33,892	54,334
Net position released from restrictions	(1,395,437)	(1,407,815)
Increase in net position with donor restrictions	709,733	41,956
CHANGE IN NET POSITION	1,135,109	2,391,903
NET POSITION - BEGINNING OF YEAR	16,768,233	14,376,330
NET POSITION - END OF YEAR	<u>\$ 17,903,342</u>	<u>\$ 16,768,233</u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Functional Expenses
For the Year Ended September 30, 2019

	Program Activities				Supporting Activities					Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, wages, and benefits	\$ 2,424,485	\$ 1,071,704	\$ 425,748	\$ 3,921,937	\$ 1,420,329	\$ 403,262	\$ 272,577	\$ -	\$ 2,096,168	\$ 6,018,105
Travel	131,429	61,509	11,782	204,720	19,424	7,065	17,181	-	43,670	248,390
Repairs & Maintenance	20,261	320,271	-	340,532	2,207	28,646	-	-	30,853	371,385
Rentals & Leases	2,717,111	22,470	371	2,739,952	333,844	2,406	158	-	336,408	3,076,360
Utilities	59,823	739,838	26,204	825,865	106,527	84,024	2,953	-	193,504	1,019,369
Professional Services	411,225	309,510	94,560	815,295	113,978	410,387	350	-	524,715	1,340,010
Supplies & Other Operating	575,433	60,150	65,750	701,333	400,388	282,954	4,807	-	688,149	1,389,482
Grants & Contract	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	948,099	948,099	948,099
	<u>\$ 6,339,767</u>	<u>\$ 2,585,452</u>	<u>\$ 624,415</u>	<u>\$ 9,549,634</u>	<u>\$ 2,396,697</u>	<u>\$ 1,218,744</u>	<u>\$ 298,026</u>	<u>\$ 948,099</u>	<u>\$ 4,861,566</u>	<u>\$ 14,411,200</u>

For the Year Ended September 30, 2018

	Program Activities				Supporting Activities					Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, wages, and benefits	\$ 2,130,170	\$ 1,102,434	\$ 334,726	\$ 3,567,330	\$ 1,292,833	\$ 383,289	\$ 262,457	\$ -	\$ 1,938,579	\$ 5,505,909
Travel	114,475	66,460	9,048	189,983	13,275	7,484	11,084	-	31,843	221,826
Repairs & Maintenance	25,634	142,697	165	168,496	-	26,355	-	-	26,355	194,851
Rentals & Leases	2,869,709	22,211	191	2,892,111	338,289	1,504	191	-	339,984	3,232,095
Utilities	55,651	719,093	24,300	799,044	100,069	95,877	2,807	-	198,753	997,797
Professional Services	380,824	311,948	90,153	782,925	191,609	462,036	500	-	654,145	1,437,070
Supplies & Other Operating	286,196	58,642	51,056	395,894	421,207	258,874	4,766	-	684,847	1,080,741
Grants & Contract	39,167	-	-	39,167	-	-	-	-	-	39,167
Depreciation	-	-	-	-	-	-	-	1,050,010	1,050,010	1,050,010
	<u>\$ 5,901,826</u>	<u>\$ 2,423,485</u>	<u>\$ 509,639</u>	<u>\$ 8,834,950</u>	<u>\$ 2,357,282</u>	<u>\$ 1,235,419</u>	<u>\$ 281,805</u>	<u>\$ 1,050,010</u>	<u>\$ 4,924,516</u>	<u>\$ 13,759,466</u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Combined Statements of Cash Flows
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATIONS		
Change in net position	\$ 1,135,109	\$ 2,391,903
Add items not requiring an outlay of cash:		
Depreciation	948,099	1,050,010
Net realized and unrealized gain on investments	(58,842)	(187,244)
Non-cash contributions of marketable securities	(4,850)	-
Net realized loss (gain) on sale of fixed assets	1,483	(14,956)
Change in assets and liabilities		
Accounts receivable decrease (increase)	995,683	(1,103,316)
Prepaid expense decrease	22,789	23,413
Accounts payable (decrease) increase	(707,576)	483,004
Accrued expenses increase (decrease)	49,552	(34,664)
Other current liabilities decrease	(6,166)	(4,669)
Unearned revenue decrease	(18,246)	(44,574)
	<u>2,357,035</u>	<u>2,558,907</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	433,743	336,448
Purchases of investments	(547,095)	(1,138,575)
Proceeds from sale of fixed assets	65	19,311
Purchases of fixed assets	(757,427)	(1,976,353)
	<u>(870,714)</u>	<u>(2,759,169)</u>
INCREASE (DECREASE) IN CASH	1,486,321	(200,262)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,316,508</u>	<u>4,516,770</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,802,829</u></u>	<u><u>\$ 4,316,508</u></u>

See accompanying notes to the financial statements.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements
September 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Organization

The combined financial statements of APT consist of three entities:

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

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

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

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

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

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

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

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

WAIQ	Montgomery
WBIQ	Birmingham
WCIQ	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 AETFA and the APTF receive and disburse funds on behalf of APT through their checking accounts.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

Accounts receivable primarily consists of amounts due from grantor agencies, tower leases with third parties, and corporate support. Receivables are stated at unpaid balances, less an allowance for doubtful accounts. APT provides for losses on accounts receivable using the allowance method. APT determines the allowance based on historical write-off experience and customer specific information. It is APT's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. As of September 30, 2019 and 2018, all accounts receivables were deemed collectible by APT; therefore, no allowance was necessary.

Property and Equipment

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

Equipment and towers	3 to 15 years
Buildings	31 years

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

Depreciation expense was \$948,099 for 2019 and \$1,050,010 for 2018.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accrued Salary and Benefits

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

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.

Use of Estimates in the Preparation of Financial Statements

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

Financial Statement Presentation

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

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

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial Statement Presentation - Continued

Net assets with donor restrictions represent those amounts which are not available until future periods or are donor restricted for specific purposes. As of September 30, 2019 and 2018, net assets with donor restrictions consist of endowment funds which resulted from gifts and bequests from donors who placed restrictions on the use of the funds and mandated that the original principal be invested in perpetuity, income and appreciation generated from these endowment funds and the remaining state appropriation available to APT to expend in the subsequent fiscal year.

Fair Value of Financial Instruments

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

Cash, cash equivalents, and receivables: The carrying amounts reported in the Statement of Net Position approximate fair values because of the short-term maturities of those instruments.

Furthermore, APT has adopted ASC 820, *Fair Value Measurements and Disclosures*. In accordance with ASC 820, fair value is defined as the price that APT would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. 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, 2019 in determining the fair value of the AETFA's investments.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

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 with donor restriction and/or without donor restriction categories. The expanded disclosures have been included in Note 10.

Recent Accounting Pronouncement

On August 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. APT has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of APT's financial statements:

The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

The unrestricted net asset class has been renamed net assets without donor restrictions.

The financial statements include the Combined Statements of Functional Expenses.

The financial statements include a new disclosure about liquidity and availability of resources (Note 18).

The financial statements include a new disclosure about the methods used for the allocation of expenses from management and general activities (Note 19).

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Recent Accounting Pronouncement

The changes have the following effect on net assets at September 30, 2018:

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 14,382,227	\$ -
Temporarily restricted	1,877,500	-
Permanently restricted	508,506	-
Net assets without donor restrictions	-	14,382,227
Net assets with donor restrictions	-	2,386,006
Total net assets	<u>\$ 16,768,233</u>	<u>\$ 16,768,233</u>

Subsequent Events

Subsequent events have been evaluated through February 18, 2020, which is the date the financial statements were available to be issued.

In January 2020, APT completed the WEIQ repack project. The total costs related to this project were \$1,894,131. These costs are expected to be reimbursed by the FCC in accordance with the Spectrum Act. See Note 17.

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, 2019 and 2018, the amounts received were \$8,299,912 and \$8,220,833 net of reversions, respectively.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 3 - CORPORATION FOR PUBLIC BROADCASTING

APT received grants from the Corporation for Public Broadcasting for the years ended September 30, 2019 and 2018 as follows:

Summarized by category:

2019	TELEVISION	RADIO	TOTAL
Community Service Grant	\$ 1,613,793	\$ 108,167	\$ 1,721,960
Interconnection Grant	30,732	-	30,732
Distance Service Grant	244,750	-	244,750
Universal Service Support Grant	62,655	-	62,655
American Graduate Initiative	123,539	-	123,539
Ready to Learn	109,054	-	109,054
	<u>\$ 2,184,523</u>	<u>\$ 108,167</u>	<u>\$ 2,292,690</u>
2018	TELEVISION	RADIO	TOTAL
Community Service Grant	\$ 1,504,582	\$ 110,376	\$ 1,614,958
Interconnection Grant	28,709	-	28,709
Distance Service Grant	243,087	-	243,087
Universal Service Support Grant	62,708	-	62,708
American Graduate Initiative	45,716	-	45,716
	<u>\$ 1,884,802</u>	<u>\$ 110,376</u>	<u>\$ 1,995,178</u>

NOTE 4 - CONTRIBUTIONS

APT receives contributions from individual donors. The total amounts received during fiscal years 2019 and 2018 are summarized as follows:

	TELEVISION	RADIO	TOTAL
2019	<u>\$ 2,200,149</u>	<u>\$ 463,891</u>	<u>\$ 2,664,040</u>
2018	<u>\$ 2,161,305</u>	<u>\$ 465,267</u>	<u>\$ 2,626,572</u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 5 - UNDERWRITING GRANTS AND CONTRIBUTIONS

Alabama Public Television receives underwriting grants and contributions from businesses, universities and foundations. The total amounts received during fiscal years 2019 and 2018, which were all without donor restrictions were:

	TELEVISION	RADIO	TOTAL
2019	<u>\$ 613,239</u>	<u>\$ 212,654</u>	<u>\$ 825,893</u>
2018	<u>\$ 570,239</u>	<u>\$ 199,836</u>	<u>\$ 770,075</u>

NOTE 6 - OPERATING LEASES

APT has entered into several operating leases, which expire on various dates, for certain 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, 2019:

2020	374,324
2021	372,824
2022	134,016
2023	44,458
2024	44,458
Thereafter	<u>99,841</u>
Total	<u>\$ 1,069,921</u>

Total rent expense was \$3,076,360 and \$3,232,095 for the years ended September 30, 2019 and 2018, 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 the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 8 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made up of the following amounts as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Checking accounts	\$ 1,308,020	\$ 880,490
Available State appropriations	4,401,191	3,355,317
Money market	92,618	79,701
Petty cash	1,000	1,000
	<u>\$ 5,802,829</u>	<u>\$ 4,316,508</u>

NOTE 9 – INVESTMENTS

The AETFAs have several investment securities that are carried at fair value with unrealized gains and losses being recorded in the Statement of Activities.

September 30, 2019

	<u>Cost</u>	<u>Market Value</u>	<u>Market Value Over / (Under) Cost</u>
Common Stock	\$ 1,184,597	\$ 1,684,683	\$ 500,086
Exchange & Traded Closed End	75,634	38,143	(37,491)
Mutual Funds	2,890,985	3,817,937	926,952
	<u>\$ 4,151,216</u>	<u>\$ 5,540,763</u>	<u>\$ 1,389,547</u>

September 30, 2018

	<u>Cost</u>	<u>Market Value</u>	<u>Market Value Over / (Under) Cost</u>
Common Stock	\$ 1,179,734	\$ 1,687,991	\$ 508,257
Exchange & Traded Closed End	79,840	45,082	(34,758)
Mutual Funds	2,739,559	3,630,647	891,088
	<u>\$ 3,999,133</u>	<u>\$ 5,363,720</u>	<u>\$ 1,364,587</u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 9 – INVESTMENTS - Continued

Investment income is composed of the following for the year ended September 30, 2019 and 2018:

September 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 138,968	\$ 26,683	\$ 165,651
Net unrealized gains (losses)	445,107	119,410	564,517
Net realized gains (losses)	(401,897)	(103,778)	(505,675)
Investment expense	(30,961)	(8,423)	(39,384)
	<u>\$ 151,217</u>	<u>\$ 33,892</u>	<u>\$ 185,109</u>

September 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 111,205	\$ 24,356	\$ 135,561
Net unrealized gains (losses)	446,588	115,620	562,208
Net realized gains (losses)	(297,628)	(77,336)	(374,964)
Investment expense	(30,412)	(8,306)	(38,718)
	<u>\$ 229,753</u>	<u>\$ 54,334</u>	<u>\$ 284,087</u>

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

The following is a summary of the inputs used as of September 30, 2019 and 2018 in valuing AETFA's investments carried at fair value.

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

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 9 – INVESTMENTS – Continued

September 30, 2019				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Common Stock	\$ 1,684,683	\$ -	\$ -	\$ 1,684,683
Exchange & Traded				
Closed End	38,143	-	-	38,143
Mutual Funds	3,817,937	-	-	3,817,937
Total Investments	<u>\$ 5,540,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,540,763</u>

September 30, 2018				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Common Stock	\$ 1,687,991	\$ -	\$ -	\$ 1,687,991
Exchange & Traded				
Closed End	45,082	-	-	45,082
Mutual Funds	3,630,647	-	-	3,630,647
Total Investments	<u>\$ 5,363,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,363,720</u>

NOTE 10 – ENDOWMENTS

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

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 10 – ENDOWMENTS – Continued

Interpretation of Relevant Law

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

Income and appreciation generated from the endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the AETFA in a manner consistent with the standard of prudence prescribed in Alabama UPMIFA. Notwithstanding the foregoing accounting classifications, unless the gift instrument creating a donor-restricted endowment fund expressly provides otherwise, the Board of the AETFA may, as provided in Alabama UPMIFA, from time to time, appropriate for expenditure such portion of the net assets with donor restrictions as the Board of the AETFA determines is prudent. There have been no significant appropriations of endowment assets for expenditure for the years ended September 30, 2019 and 2018.

Return Objectives, Risk Parameters and Strategies

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

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

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 10 – ENDOWMENTS – Continued

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

Aggregate Fund Asset Allocation Guidelines (at market value)

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Large Cap Equities	15%	35%	20%
Small Mid Cap Equities	2%	10%	5%
International Equities	10%	25%	20%
Fixed Income	25%	40%	30%
Cash & Equivalents	3%	20%	5%
Alternative	10%	25%	20%

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

Allowable assets include the following:

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

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 10 – ENDOWMENTS – Continued

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

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

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

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

Spending Policy

The Board of Trustees expects distributions to equal up to 50% of the anticipated growth, net of inflation annually. It is anticipated that Endowment Fund distributions will increase by an undetermined amount over the next several years. Distributions from the Endowment Fund are to be generated from portfolio principal (total return as opposed to portfolio income) and may occur on an annual basis, as needed.

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

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

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

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 10 – ENDOWMENTS – Continued

The following analysis shows the changes in the endowment net assets for the year ended September 30, 2019 and 2018:

	September 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,442,900	\$ 990,569	\$ 2,433,469
Endowment gifts received	-	-	-
Investment return, net	49,369	33,893	83,262
	<u>\$ 1,492,269</u>	<u>\$ 1,024,462</u>	<u>\$ 2,516,731</u>

	September 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,363,757	\$ 936,235	\$ 2,299,992
Endowment gifts received	-	-	-
Interest and dividends	79,143	54,334	133,477
	<u>\$ 1,442,900</u>	<u>\$ 990,569</u>	<u>\$ 2,433,469</u>

At September 30, 2019, funds with original gift values of \$508,506 and fair values of \$1,024,462 were reported in net position with donor restrictions. At September 30, 2018, funds with original gift values of \$508,506 and fair values of \$990,569 were reported in net position with donor restrictions.

NOTE 11 - 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 Statement of Activities.

The following categories show the various types of services and support provided to APT for the years ended September 30, 2019 and 2018:

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 11 - IN-KIND SERVICES AND SUPPORT – Continued

2019	Television	Radio	Total
Advertising	\$ 57,585	\$ -	\$ 57,585
Operating expenses	2,302	-	2,302
Fundraising	-	11,802	11,802
Land lease	48,000	-	48,000
	<u>\$ 107,887</u>	<u>\$ 11,802</u>	<u>\$ 119,689</u>
 2018	 Television	 Radio	 Total
Advertising	\$ 17,029	\$ -	\$ 17,029
Operating expenses	41,300	5,520	46,820
Fundraising	-	18,413	18,413
Land lease	48,000	-	48,000
	<u>\$ 106,329</u>	<u>\$ 23,933</u>	<u>\$ 130,262</u>

NOTE 12 - EMPLOYEE BENEFIT PLAN

AETFA began sponsoring a 401k employee benefit plan in January 2018. Prior to this, AETFA sponsored a Simple IRA employee benefit plan. The plan is for the benefit of substantially all the employees of AETFA. Any employee who is expected to earn more than \$5,000 is eligible to participate. AETFA makes an employer contribution match of up to 4% of participating employees' salaries. AETFA made contributions of \$74,952 and \$69,236 for the years ended September 30, 2019 and 2018, respectively.

AETC participates in the State of Alabama's Employees' Retirement System (ERS). Participation is mandatory for employees of AETC who qualify. The employee contribution rate is 7.5% of salary for employees who began before January 1, 2013 and 6% for employees who began thereafter. The AETC made an employer contribution to the ERS in the amount of \$277,294 and \$237,058 for the years ended September 30, 2019 and 2018, respectively.

NOTE 13 – CONCENTRATION OF CREDIT RISK

APT maintains its cash with a financial institution that is insured by the Federal Deposit Insurance Corporation up to \$250,000 per group, per trustee as of September 30, 2019 and 2018. Cash deposits at times during the year may exceed the limits of coverage.

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 13 – CONCENTRATION OF CREDIT RISK - CONTINUED

Credit risk for accounts receivable is not considered concentrated at September 30, 2019. The accounts receivable is spread across various State of Alabama agencies which comprise 40% of the balance, the Corporation of Public Broadcasting accounts for 29%, and the remaining 31% is due from various businesses, three federal and local agencies, and APT employees. The concentration was 92% of the balance at September 30, 2018 being due from one grantor agency and one tower lessee.

NOTE 14 – CONCENTRATION OF REVENUE SOURCES

As of September 30, 2019 and 2018, approximately 69% and 64%, respectively, of APT's revenue, excluding in-kind contributions, is derived from appropriations from the State of Alabama Special Education Trust Fund (which is renewed annually) and a grant from the Corporation for Public Broadcasting (which is also renewed annually). The current level of APT's operations and program services may be impacted or segments discontinued if the funding is not renewed.

NOTE 15 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

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

	<u>2019</u>	<u>2018</u>
State appropriation	\$ 1,395,437	\$ 1,407,815

NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Unexpended state appropriation	\$ 2,071,278	\$ 1,395,437
Income earned on restricted endowments	515,956	482,063
Not available for expenditure:		
Restricted endowment funds	<u>508,506</u>	<u>508,506</u>
	<u>\$ 3,095,740</u>	<u>\$ 2,386,006</u>

ALABAMA PUBLIC TELEVISION
Notes to the Combined Financial Statements (Continued)
September 30, 2019 and 2018

NOTE 17 – FEDERAL COMMUNICATION COMMISSION REPACKING PROJECT

In 2012, Congress authorized the Federal Communications Commission (FCC) to realign use of the public airwaves with 21st century consumer demands for video and broadband services via the Spectrum Act. APT was notified on April 13, 2017 that three of its broadcast stations would be assigned new channel numbers. WGIQ was in FCC phase 1 and was completed before the required date of November 30, 2018. WEIQ is in FCC phase 7 with a phase completion date of January 17, 2020. WCIQ is in FCC phase 10 with a phase completion date of July 3, 2020. The act requires the FCC to reimburse the reasonable costs incurred to transition to the new channels. During 2019, APT, through the State of Alabama, accepted bids for the WEIQ project of \$1,894,131 and the WCIQ project for \$1,204,867. Vendor work on the WEIQ project was completed in January 2020 (see Note 1). Vendor work on the WCIQ project is on-going.

NOTE 18 – FINANCIAL ASSETS AND LIQUIDITY

APT's financial assets available within one year of the balance sheet date for general expenditure are as follows.

Cash and cash equivalents	\$ 5,802,829
Accounts receivable	295,522
Investments	3,024,032
Total	<u>\$ 9,122,383</u>

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

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

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

NOTE 20 – RECLASSIFICATION

Certain reclassifications have been made to the financial statements for the year ended September 30, 2018 to conform to the current year presentation.

SUPPLEMENTAL INFORMATION

ALABAMA PUBLIC TELEVISION
Combining Schedule of Net Position by Legal Entity
As of September 30, 2019

	AETC	AETFA	APTF	Eliminations	APT COMBINED
ASSETS					
Cash and cash equivalents					
State accounts	\$ 4,401,191	\$ -	\$ -	\$ -	\$ 4,401,191
AETFA	-	1,190,015	-	-	1,190,015
Money market	-	92,618	-	-	92,618
APTF	-	-	119,005	-	119,005
TOTAL CASH	4,401,191	1,282,633	119,005	-	5,802,829
Other current assets					
Investments	-	5,540,763	-	-	5,540,763
Accounts receivables	33,961	194,146	67,415	-	295,522
Intercompany due from	-	72,350	766,050	(838,400)	-
Prepaid expenses	94,961	160,560	15,477	-	270,998
TOTAL OTHER CURRENT ASSETS	128,922	5,967,819	848,942	(838,400)	6,107,283
TOTAL CURRENT ASSETS	4,530,113	7,250,452	967,947	(838,400)	11,910,112
PROPERTY AND EQUIPMENT					
Land	280,645	609,596	-	-	890,241
Transmission equipment and towers	27,407,601	600	-	-	27,408,201
Equipment	7,656,579	54,723	290	-	7,711,592
Furniture and fixtures	304,452	26,583	-	-	331,035
Buildings	4,247,502	1,329,101	-	-	5,576,603
Vehicles	383,323	117,304	-	-	500,627
TOTAL PROPERTY AND EQUIPMENT	40,280,102	2,137,907	290	-	42,418,299
Less: Accumulated depreciation	34,146,373	888,482	290	-	35,035,145
NET PROPERTY AND EQUIPMENT	6,133,729	1,249,425	-	-	7,383,154
TOTAL ASSETS	\$ 10,663,842	\$ 8,499,877	\$ 967,947	\$ (838,400)	\$ 19,293,266

See auditor's report.

ALABAMA PUBLIC TELEVISION
Combining Schedule of Net Position by Legal Entity (Continued)
As of September 30, 2019

	AETC	AETFA	APTF	Eliminations	APT COMBINED
LIABILITIES AND NET POSITION					
Accounts payable	\$ 195,302	\$ 82,461	\$ 7,035	\$ -	\$ 284,798
Intercompany due to	72,350	766,050	-	(838,400)	-
Accrued salary and benefits	474,366	242,983	-	-	717,349
Other current liabilities	-	12,051	-	-	12,051
Unearned revenue	21,732	9,534	143,552	-	174,818
TOTAL CURRENT LIABILITIES	763,750	1,113,079	150,587	(838,400)	1,189,016
Accrued salary and benefits - long term	105,343	95,565	-	-	200,908
TOTAL LIABILITIES	869,093	1,208,644	150,587	(838,400)	1,389,924
NET POSITION					
Net position without donor restrictions	7,723,471	6,266,771	817,360	-	14,807,602
Net position with donor restrictions	2,071,278	1,024,462	-	-	3,095,740
TOTAL NET POSITION	9,794,749	7,291,233	817,360	-	17,903,342
TOTAL LIABILITIES AND NET POSITION	\$ 10,663,842	\$ 8,499,877	\$ 967,947	\$ (838,400)	\$ 19,293,266

See auditor's report.

ALABAMA PUBLIC TELEVISION
Combining Schedule of Activities by Legal Entity
For the Year Ended September 30, 2019

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>APT COMBINED</u>
CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS				
SUPPORT AND REVENUES				
Appropriation - State of Alabama	\$ 6,228,634	\$ -	\$ -	\$ 6,228,634
Corporation for Public Broadcasting	-	2,292,690	-	2,292,690
Contributions	32,145	479,040	2,152,855	2,664,040
Telecasting production and other income	1,986	10,155	-	12,141
Tower space and other rental	371,088	-	-	371,088
Grants and contracts	3,435	598,317	-	601,752
Underwriting grants and contributions	-	212,654	613,239	825,893
Investment income	-	151,217	-	151,217
Interest income	-	59	-	59
In-kind support	48,000	71,689	-	119,689
Special Events Revenue	-	-	-	-
Online education	-	48,781	-	48,781
Federal Communication Commission repacking	54,233	-	-	54,233
Other income	71,759	645	1	72,405
Net position released from restrictions	1,395,437	-	-	1,395,437
TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	<u>8,206,717</u>	<u>3,865,247</u>	<u>2,766,095</u>	<u>14,838,059</u>
EXPENSES				
Program Services:				
Programming and production	3,604,078	2,636,234	99,455	6,339,767
Broadcasting	2,324,559	260,893	-	2,585,452
Program information	257,534	362,566	4,315	624,415
Total Program Services	<u>6,186,171</u>	<u>3,259,693</u>	<u>103,770</u>	<u>9,549,634</u>
Supporting Services:				
Management and general	1,733,254	652,132	11,311	2,396,697
Fundraising	5,125	502,938	710,681	1,218,744
Underwriting	-	277,212	20,814	298,026
Depreciation	889,266	58,829	4	948,099
Total Supporting Services	<u>2,627,645</u>	<u>1,491,111</u>	<u>742,810</u>	<u>4,861,566</u>
TOTAL EXPENSES	<u>8,813,816</u>	<u>4,750,804</u>	<u>846,580</u>	<u>14,411,200</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Combining Schedule of Activities by Legal Entity (Continued)
For the Year Ended September 30, 2019

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>APT COMBINED</u>
CHANGE IN NET POSITION WITHOUT DONOR RESTRICTIONS - Continued				
Loss on disposal of fixed assets	(1,483)	-	-	(1,483)
Interdepartmental transfers	228,729	1,467,092	(1,695,821)	-
(Decrease) Increase in net position without donor restrictions	\$ (379,853)	\$ 581,535	\$ 223,694	\$ 425,376
CHANGES IN NET POSITION WITH DONOR RESTRICTIONS				
Appropriation - State of Alabama	2,071,278	-	-	2,071,278
Investment income	-	33,892	-	33,892
Net position released from restrictions	(1,395,437)	-	-	(1,395,437)
Increase in net position with donor restrictions	675,841	33,892	-	709,733
Change in net position	295,988	615,427	223,694	1,135,109
NET POSITION - BEGINNING OF YEAR	9,498,761	6,675,806	593,666	16,768,233
NET POSITION - END OF YEAR	\$ 9,794,749	\$ 7,291,233	\$ 817,360	\$ 17,903,342

See auditor's report.

ALABAMA PUBLIC TELEVISION
Statement of Functional Expenses by Legal Entity
For the Year Ended September 30, 2019

Alabama Educational Television Commission (AETC)

	Program Activities				Supporting Activities					Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, wages, and benefits	\$ 722,046	\$ 967,158	\$ 252,823	\$ 1,942,027	\$ 1,061,053	\$ -	\$ -	\$ -	\$ 1,061,053	\$ 3,003,080
Travel	18,856	43,492	-	62,348	8,507	-	-	-	8,507	70,855
Repairs & Maintenance	15,404	312,916	-	328,320	479	-	-	-	479	328,799
Rentals & Leases	2,390,754	20,176	-	2,410,930	340,102	-	-	-	340,102	2,751,032
Utilities	46,007	726,698	-	772,705	98,628	-	-	-	98,628	871,333
Professional Services	186,788	214,313	-	401,101	31,411	-	-	-	31,411	432,512
Supplies & Other Operating	224,223	39,806	4,711	268,740	193,074	5,125	-	-	198,199	466,939
Grants & Contract	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	889,266	889,266	889,266
	<u>\$ 3,604,078</u>	<u>\$ 2,324,559</u>	<u>\$ 257,534</u>	<u>\$ 6,186,171</u>	<u>\$ 1,733,254</u>	<u>\$ 5,125</u>	<u>\$ -</u>	<u>\$ 889,266</u>	<u>\$ 2,627,645</u>	<u>\$ 8,813,816</u>

Alabama Educational Television Foundation Authority (AETFA)

	Program Activities				Supporting Activities					Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, wages, and benefits	\$ 1,702,439	\$ 104,546	\$ 172,925	\$ 1,979,910	\$ 359,276	\$ 403,262	\$ 272,577	\$ -	\$ 1,035,115	\$ 3,015,025
Travel	112,573	18,017	11,782	142,372	10,917	1,533	4,635	-	17,085	159,457
Repairs & Maintenance	4,857	7,355	-	12,212	1,728	8,787	-	-	10,515	22,727
Rentals & Leases	290,271	2,294	371	292,936	(6,258)	-	-	-	(6,258)	286,678
Utilities	13,816	13,140	26,204	53,160	7,899	5,735	-	-	13,634	66,794
Professional Services	161,493	95,197	91,795	348,485	78,712	36,276	-	-	114,988	463,473
Supplies & Other Operating	350,785	20,344	59,489	430,618	199,858	47,345	-	-	247,203	677,821
Grants & Contract	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	58,829	58,829	58,829
	<u>\$ 2,636,234</u>	<u>\$ 260,893</u>	<u>\$ 362,566</u>	<u>\$ 3,259,693</u>	<u>\$ 652,132</u>	<u>\$ 502,938</u>	<u>\$ 277,212</u>	<u>\$ 58,829</u>	<u>\$ 1,491,111</u>	<u>\$ 4,750,804</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Statement of Functional Expenses by Legal Entity - continued
For the Year Ended September 30, 2019

APT Foundation (APTF)

	Program Activities				Supporting Activities					Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, wages, and benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	5,532	12,546	-	18,078	18,078
Repairs & Maintenance	-	-	-	-	-	19,859	-	-	19,859	19,859
Rentals & Leases	36,086	-	-	36,086	-	2,406	158	-	2,564	38,650
Utilities	-	-	-	-	-	78,289	2,953	-	81,242	81,242
Professional Services	62,944	-	2,765	65,709	3,855	374,111	350	-	378,316	444,025
Supplies & Other Operating	425	-	1,550	1,975	7,456	230,484	4,807	-	242,747	244,722
Grants & Contract	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	4	4	4
	<u>\$ 99,455</u>	<u>\$ -</u>	<u>\$ 4,315</u>	<u>\$ 103,770</u>	<u>\$ 11,311</u>	<u>\$ 710,681</u>	<u>\$ 20,814</u>	<u>\$ 4</u>	<u>\$ 742,810</u>	<u>\$ 846,580</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Combining Schedule of Cash Flows by Legal Entity
For the Year Ended September 30, 2019

	AETC	AETFA	APTF	Total APT
CASH FLOWS FROM OPERATIONS				
Change in net position	\$ 295,988	\$ 615,427	\$ 223,694	\$ 1,135,109
Add items not requiring an outlay of cash:				
Depreciation	889,266	58,829	4	948,099
Net realized and unrealized gain on investments	-	(58,842)	-	(58,842)
Non-cash contributions of marketable securities	-	(4,850)	-	(4,850)
Net realized loss on sale of fixed assets	1,483	-	-	1,483
Non-cash contributions of property	(6,267)	-	-	(6,267)
Non-cash distributions of property	-	6,267	-	6,267
Change in assets and liabilities				
Accounts receivable decrease (increase)	1,156,697	(121,364)	(39,650)	995,683
Prepaid expense decrease (increase)	20,440	(35,418)	37,767	22,789
Accounts payable (decrease) increase	(738,012)	23,401	7,035	(707,576)
Accrued expenses increase (decrease)	79,748	(30,196)	-	49,552
Other current liabilities decrease	-	(4,016)	(2,150)	(6,166)
Unearned revenue increase (decrease)	617	(67,218)	48,355	(18,246)
Intercompany net decrease (increase)	82,364	121,704	(204,068)	-
NET CASH PROVIDED FROM OPERATIONS	<u>1,782,324</u>	<u>503,724</u>	<u>70,987</u>	<u>2,357,035</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	-	433,743	-	433,743
Purchases of investments	-	(547,095)	-	(547,095)
Proceeds from sale of fixed assets	65	-	-	65
Purchases of fixed assets	(736,515)	(20,912)	-	(757,427)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(736,450)</u>	<u>(134,264)</u>	<u>-</u>	<u>(870,714)</u>
INCREASE IN CASH	1,045,874	369,460	70,987	1,486,321
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,355,317</u>	<u>913,173</u>	<u>48,018</u>	<u>4,316,508</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,401,191</u>	<u>\$ 1,282,633</u>	<u>\$ 119,005</u>	<u>\$ 5,802,829</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Net Position
as of September 30, 2019

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
ASSETS			
Cash and cash equivalents			
State accounts	\$ 4,401,191	\$ -	\$ 4,401,191
AETFA	1,084,250	105,765	1,190,015
Money market	92,618	-	92,618
APTF	119,005	-	119,005
TOTAL CASH	<u>5,697,064</u>	<u>105,765</u>	<u>5,802,829</u>
Other current assets			
Investments	5,540,763	-	5,540,763
Accounts receivables	272,675	22,847	295,522
Prepaid expenses	269,512	1,486	270,998
TOTAL OTHER CURRENT ASSETS	<u>6,082,950</u>	<u>24,333</u>	<u>6,107,283</u>
TOTAL CURRENT ASSETS	<u>11,780,014</u>	<u>130,098</u>	<u>11,910,112</u>
PROPERTY AND EQUIPMENT			
Land	890,241	-	890,241
Transmission equipment and towers	26,853,845	554,356	27,408,201
Equipment	7,638,771	72,821	7,711,592
Furniture and fixtures	273,933	57,102	331,035
Buildings	5,576,603	-	5,576,603
Vehicles	488,727	11,900	500,627
TOTAL PROPERTY AND EQUIPMENT	41,722,120	696,179	42,418,299
Less: Accumulated depreciation	<u>34,524,289</u>	<u>510,856</u>	<u>35,035,145</u>
NET PROPERTY AND EQUIPMENT	<u>7,197,831</u>	<u>185,323</u>	<u>7,383,154</u>
TOTAL ASSETS	<u>\$ 18,977,845</u>	<u>\$ 315,421</u>	<u>\$ 19,293,266</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Net Position (Continued)
as of September 30, 2019

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
LIABILITIES AND NET POSITION			
Accounts payable	\$ 244,478	\$ 40,320	\$ 284,798
Accrued salary and benefits	687,779	29,570	717,349
Other current liabilities	12,051	-	12,051
Unearned revenue	<u>167,066</u>	<u>7,752</u>	<u>174,818</u>
TOTAL CURRENT LIABILITIES	<u>1,111,374</u>	<u>77,642</u>	<u>1,189,016</u>
Accrued salary and benefits - long term	<u>167,681</u>	<u>33,227</u>	<u>200,908</u>
TOTAL LIABILITIES	<u>1,279,055</u>	<u>110,869</u>	<u>1,389,924</u>
NET POSITION			
Net position without donor restrictions	14,603,050	204,552	14,807,602
Net position with donor restrictions	3,095,740	-	3,095,740
TOTAL NET POSITION	<u>17,698,790</u>	<u>204,552</u>	<u>17,903,342</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 18,977,845</u></u>	<u><u>\$ 315,421</u></u>	<u><u>\$ 19,293,266</u></u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Activities
For the Year Ended September 30, 2019

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS			
SUPPORT AND REVENUES			
Appropriation - State of Alabama	\$ 5,787,833	\$ 440,801	\$ 6,228,634
Corporation for Public Broadcasting	2,184,523	108,167	2,292,690
Contributions	2,200,149	463,891	2,664,040
Telecasting production and other income	12,141	-	12,141
Tower space and other rental	371,088	-	371,088
Grants and contracts	601,752	-	601,752
Underwriting grants and contributions	613,239	212,654	825,893
Investment income	151,217	-	151,217
Interest income	-	59	59
In-kind support	107,887	11,802	119,689
Special events	-	-	-
Online education	48,781	-	48,781
Federal Communication Commission repacking	54,233	-	54,233
Other income	71,882	523	72,405
Net position released from restrictions	<u>1,395,437</u>	<u>-</u>	<u>1,395,437</u>
TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	<u>13,600,162</u>	<u>1,237,897</u>	<u>14,838,059</u>
EXPENSES			
Program Services:			
Programming and production	5,823,810	515,957	6,339,767
Broadcasting	2,514,008	71,444	2,585,452
Program information	<u>610,795</u>	<u>13,620</u>	<u>624,415</u>
Total Program Services	<u>8,948,613</u>	<u>601,021</u>	<u>9,549,634</u>
Supporting Services:			
Management and general	2,245,345	151,352	2,396,697
Fundraising	1,077,477	141,267	1,218,744
Underwriting	211,963	86,063	298,026
Depreciation	<u>910,784</u>	<u>37,315</u>	<u>948,099</u>
Total Supporting Services	<u>4,445,569</u>	<u>415,997</u>	<u>4,861,566</u>
TOTAL EXPENSES	<u>13,394,182</u>	<u>1,017,018</u>	<u>14,411,200</u>
Loss on disposal of fixed assets	(1,483)	-	(1,483)
Interdepartmental transfers	<u>211,089</u>	<u>(211,089)</u>	<u>-</u>
Increase in net position without donor restrictions	<u>\$ 415,586</u>	<u>\$ 9,790</u>	<u>\$ 425,376</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Activities (Continued)
For the Year Ended September 30, 2019

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
CHANGE IN NET POSITION WITHOUT DONOR RESTRICTIONS - Continued			
Increase in net position without donor restrictions	\$ 415,586	\$ 9,790	\$ 425,376
CHANGES IN NET POSITION WITH DONOR RESTRICTIONS			
Appropriation - State of Alabama	2,071,278	-	2,071,278
Investment income	33,892	-	33,892
Net position released from restrictions	<u>(1,395,437)</u>	<u>-</u>	<u>(1,395,437)</u>
Increase in net position with donor restrictions	<u>709,733</u>	<u>-</u>	<u>709,733</u>
Increase in net position	1,125,319	9,790	1,135,109
NET POSITION - BEGINNING OF YEAR	<u>16,573,471</u>	<u>194,762</u>	<u>16,768,233</u>
NET POSITION - END OF YEAR	<u><u>\$ 17,698,790</u></u>	<u><u>\$ 204,552</u></u>	<u><u>\$ 17,903,342</u></u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Statement of Functional Expenses by Operations
For the Year Ended September 30, 2019

Television Operations

	Program Activities				Supporting Activities					Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, wages, and benefits	\$ 2,219,006	\$ 1,071,704	\$ 424,840	\$ 3,715,550	\$ 1,316,041	\$ 371,506	\$ 191,148	\$ -	\$ 1,878,695	\$ 5,594,245
Travel	129,560	61,508	11,782	202,850	18,197	5,532	12,547	-	36,276	239,126
Repairs & Maintenance	20,261	306,431	-	326,692	1,746	19,859	-	-	21,605	348,297
Rentals & Leases	2,426,665	22,471	211	2,449,347	314,682	2,405	158	-	317,245	2,766,592
Utilities	59,822	714,532	26,204	800,558	89,861	78,289	2,953	-	171,103	971,661
Professional Services	407,020	287,703	89,820	784,543	113,967	364,467	350	-	478,784	1,263,327
Supplies & Other Operating	561,476	49,659	57,938	669,073	390,851	235,419	4,807	-	631,077	1,300,150
Grants & Contract	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	910,784	910,784	910,784
	<u>\$ 5,823,810</u>	<u>\$ 2,514,008</u>	<u>\$ 610,795</u>	<u>\$ 8,948,613</u>	<u>\$ 2,245,345</u>	<u>\$ 1,077,477</u>	<u>\$ 211,963</u>	<u>\$ 910,784</u>	<u>\$ 4,445,569</u>	<u>\$ 13,394,182</u>

Radio Operations

	Program Activities				Supporting Activities					Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Activities	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Activities	
Salary, wages, and benefits	\$ 205,480	\$ -	\$ 908	\$ 206,388	\$ 104,288	\$ 31,756	\$ 81,428	\$ -	\$ 217,472	\$ 423,860
Travel	1,869	-	-	1,869	1,227	1,533	4,635	-	7,395	9,264
Repairs & Maintenance	-	13,839	-	13,839	461	8,788	-	-	9,249	23,088
Rentals & Leases	290,446	-	160	290,606	19,162	-	-	-	19,162	309,768
Utilities	-	25,307	-	25,307	16,666	5,735	-	-	22,401	47,708
Professional Services	4,205	21,807	4,740	30,752	11	45,920	-	-	45,931	76,683
Supplies & Other Operating	13,957	10,491	7,812	32,260	9,537	47,535	-	-	57,072	89,332
Grants & Contract	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	37,315	37,315	37,315
	<u>\$ 515,957</u>	<u>\$ 71,444</u>	<u>\$ 13,620</u>	<u>\$ 601,021</u>	<u>\$ 151,352</u>	<u>\$ 141,267</u>	<u>\$ 86,063</u>	<u>\$ 37,315</u>	<u>\$ 415,997</u>	<u>\$ 1,017,018</u>

See auditor's report.

ALABAMA PUBLIC TELEVISION
Television and Radio Operations
Combining Schedule of Cash Flows
For the Year Ended September 30, 2019

	Television	Radio	Total APT
CASH FLOWS FROM OPERATIONS			
Change in net position	\$ 1,125,319	\$ 9,790	\$ 1,135,109
Add items not requiring an outlay of cash:			
Depreciation	910,784	37,315	948,099
Net realized and unrealized gain on investments	(58,842)	-	(58,842)
Non-cash contributions of marketable securities	(4,850)	-	(4,850)
Net realized gain on sale of fixed assets	1,483	-	1,483
Change in assets and liabilities			
Accounts receivable increase	999,222	(3,539)	995,683
Prepaid expense decrease (increase)	23,094	(305)	22,789
Accounts payable increase (decrease)	(720,830)	13,254	(707,576)
Accrued expenses decrease	36,452	13,100	49,552
Other current liabilities decrease	(6,166)	-	(6,166)
Unearned revenue (decrease) increase	(15,839)	(2,407)	(18,246)
NET CASH PROVIDED FROM (USED IN) OPERATIONS	<u>2,289,827</u>	<u>67,208</u>	<u>2,357,035</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	433,743	-	433,743
Purchases of investments	(547,095)	-	(547,095)
Proceeds from sale of fixed assets	65	-	65
Purchases of fixed assets	(734,004)	(23,423)	(757,427)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(847,291)</u>	<u>(23,423)</u>	<u>(870,714)</u>
DECREASE IN CASH	1,442,536	43,785	1,486,321
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,254,528</u>	<u>61,980</u>	<u>4,316,508</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,697,064</u></u>	<u><u>\$ 105,765</u></u>	<u><u>\$ 5,802,829</u></u>

See auditor's report.