

**ALABAMA PUBLIC TELEVISION**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

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## **Independent Auditors' Report**

Board of Directors  
Alabama Public Television  
Birmingham, Alabama

### **Opinion**

We have audited the accompanying combined financial statements of Alabama Educational Television Commission (a State of Alabama government agency), Alabama Educational Television Foundation Authority (a nonprofit organization), and APT Foundation (a nonprofit organization), combined as Alabama Public Television. The combined financial statements comprise the combined statements of net position as of September 30, 2024 and 2023, 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.

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, 2024 and 2023, 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.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

**Kassouf & Co., Inc.**

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## Report on 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, schedules 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, schedules 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., INC.

A handwritten signature in black ink that reads "Kassouf & Co." in a cursive script.

CPAs and Advisors

April 11, 2025

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Net Position**  
**As of September 30, 2024 and 2023**

<b>ASSETS</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents		
State accounts	\$ 6,475,850	\$ 10,696,637
Checking accounts	4,880,000	5,508,271
Money market	159,121	106,442
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>11,514,971</b>	<b>16,311,350</b>
Other current assets		
Investments	8,982,652	6,384,478
Contributions and support receivable	239,001	373,075
Rental income receivable	19,777	43,433
Prepaid expenses	582,638	596,742
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>9,824,068</b>	<b>7,397,728</b>
<b>TOTAL CURRENT ASSETS</b>	<b>21,339,039</b>	<b>23,709,078</b>
<b>PROPERTY AND EQUIPMENT</b>		
Land	890,241	890,241
Transmission equipment and towers	31,649,045	30,451,294
Equipment	11,502,894	8,100,221
Furniture and fixtures	528,315	472,722
Buildings	5,732,040	5,685,871
Vehicles	939,270	731,071
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>51,241,805</b>	<b>46,331,420</b>
Less: Accumulated depreciation	33,563,482	30,610,801
<b>NET PROPERTY AND EQUIPMENT</b>	<b>17,678,323</b>	<b>15,720,619</b>
<b>RIGHT OF USE ASSETS - OPERATING LEASES</b>	<b>2,977,544</b>	<b>3,380,214</b>
<b>TOTAL ASSETS</b>	<b>\$ 41,994,906</b>	<b>\$ 42,809,911</b>

*See accompanying notes to the financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Net Position (Continued)**  
**As of September 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>LIABILITIES AND NET POSITION</b>		
Accounts payable	\$ 1,092,849	\$ 1,037,725
Accrued salary and benefits	963,972	871,548
Other current liabilities	21,561	23,000
Unearned revenue	226,498	248,153
Current portion of operating lease liability	389,891	363,395
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,694,771</b>	<b>2,543,821</b>
Accrued salary and benefits - long-term	441,159	403,301
Long-term operating lease liability	2,690,702	3,075,035
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>3,131,861</b>	<b>3,478,336</b>
<b>TOTAL LIABILITIES</b>	<b>5,826,632</b>	<b>6,022,157</b>
<b>NET POSITION</b>		
Net position without donor restrictions	27,750,717	25,084,252
Net position with donor restrictions	8,417,557	11,703,502
<b>TOTAL NET POSITION</b>	<b>36,168,274</b>	<b>36,787,754</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 41,994,906</b>	<b>\$ 42,809,911</b>

*See accompanying notes to the financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Activities**  
**For the Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUES</b>		
Appropriations - State of Alabama	\$ 4,971,722	\$ 6,226,264
Corporation for Public Broadcasting	2,804,261	2,514,936
Contributions	3,805,541	3,681,694
Telecasting production and other income	-	32,900
Tower space and other rental	372,391	386,603
Grants and contracts	844,107	766,015
Underwriting support	1,241,385	978,857
Investment income	923,372	399,530
Interest income	270,618	157,085
In-kind support	105,459	81,352
Special event revenue	6,719	-
Insurance proceeds	-	5,696
Other income	6,124	7,263
Net position released from restrictions	9,081,339	5,369,764
<b>TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS</b>	<u>24,433,038</u>	<u>20,607,959</u>
<b>EXPENSES</b>		
Program Services:		
Programming and production	9,070,747	8,438,413
Broadcasting	3,517,457	2,904,180
Program information and promotion	911,670	790,097
Total Program Services	<u>13,499,874</u>	<u>12,132,690</u>
Supporting Services:		
Management and general	3,502,723	3,144,602
Fundraising and membership development	1,588,452	1,499,316
Underwriting	237,295	219,762
Depreciation	2,952,681	2,221,145
Total Supporting Services	<u>8,281,151</u>	<u>7,084,825</u>
<b>TOTAL EXPENSES</b>	<u>\$ 21,781,025</u>	<u>\$ 19,217,515</u>

*See accompanying notes to the financial statements.*



**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Activities (Continued)**  
**For the Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>CHANGE IN NET POSITION WITHOUT DONOR RESTRICTIONS - CONTINUED</b>		
Net gain (loss) on disposal of fixed assets	\$ 14,452	\$ (4,072)
<b>INCREASE IN NET POSITION WITHOUT DONOR RESTRICTIONS</b>	<u>2,666,465</u>	<u>1,386,372</u>
<b>CHANGES IN NET POSITION WITH DONOR RESTRICTIONS</b>		
Appropriation - State of Alabama Education Trust Fund	4,653,621	8,121,094
Appropriation - State of Alabama Education General Fund	149,452	681,713
Contributions	574,664	785,160
Investment income	417,657	106,343
Net position released from restrictions	<u>(9,081,339)</u>	<u>(5,369,764)</u>
<b>(DECREASE) INCREASE IN NET POSITION WITH DONOR RESTRICTIONS</b>	<u>(3,285,945)</u>	<u>4,324,546</u>
<b>CHANGE IN NET POSITION</b>	(619,480)	5,710,918
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>36,787,754</u>	<u>31,076,836</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 36,168,274</u></u>	<u><u>\$ 36,787,754</u></u>

*See accompanying notes to the financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Functional Expenses**

**For the Year Ended September 30, 2024**

	Program Services				Supporting Services					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Services	
Salary, Wages, & Benefits	\$ 3,160,953	\$ 1,618,549	\$ 609,535	\$ 5,389,037	\$ 1,875,989	\$ 538,670	\$ 226,261	\$ -	\$ 2,640,920	\$ 8,029,957
Travel	118,873	72,906	5,128	196,907	84,397	16,005	5,821	-	106,223	303,130
Repairs & Maintenance	31,107	397,889	5	429,001	2,093	24,298	-	-	26,391	455,392
Rentals, Leases, & Rights	4,578,223	44,967	5,731	4,628,921	493,232	3,458	100	-	496,790	5,125,711
Utilities	83,586	853,848	37,473	974,907	114,081	105,941	1,240	-	221,262	1,196,169
Professional Services	538,503	338,121	128,152	1,004,776	221,354	610,482	-	-	831,836	1,836,612
Supplies & Other Operating	559,502	191,177	125,646	876,325	711,577	289,598	3,873	-	1,005,048	1,881,373
Depreciation	-	-	-	-	-	-	-	2,952,681	2,952,681	2,952,681
	<u>\$ 9,070,747</u>	<u>\$ 3,517,457</u>	<u>\$ 911,670</u>	<u>\$ 13,499,874</u>	<u>\$ 3,502,723</u>	<u>\$ 1,588,452</u>	<u>\$ 237,295</u>	<u>\$ 2,952,681</u>	<u>\$ 8,281,151</u>	<u>\$ 21,781,025</u>

**For the Year Ended September 30, 2023**

	Program Services				Supporting Services					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Services	
Salary, Wages, & Benefits	\$ 2,876,957	\$ 1,334,765	\$ 568,228	\$ 4,779,950	\$ 1,706,617	\$ 466,927	\$ 213,926	\$ -	\$ 2,387,470	\$ 7,167,420
Travel	97,193	65,960	7,920	171,073	44,479	5,699	2,353	-	52,531	223,604
Repairs & Maintenance	43,034	165,533	-	208,567	14,911	35,914	-	-	50,825	259,392
Rentals, Leases, & Rights	4,127,694	28,440	128	4,156,262	483,640	311	69	-	484,020	4,640,282
Utilities	84,340	830,127	37,141	951,608	108,965	92,481	1,280	-	202,726	1,154,334
Professional Services	428,454	396,360	72,094	896,908	192,599	597,430	-	-	790,029	1,686,937
Supplies & Other Operating	780,741	82,995	104,586	968,322	593,391	300,554	2,134	-	896,079	1,864,401
Depreciation	-	-	-	-	-	-	-	2,221,145	2,221,145	2,221,145
	<u>\$ 8,438,413</u>	<u>\$ 2,904,180</u>	<u>\$ 790,097</u>	<u>\$ 12,132,690</u>	<u>\$ 3,144,602</u>	<u>\$ 1,499,316</u>	<u>\$ 219,762</u>	<u>\$ 2,221,145</u>	<u>\$ 7,084,825</u>	<u>\$ 19,217,515</u>

*See accompanying notes to the financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Combined Statements of Cash Flows**  
**For the Years Ended September 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATIONS</b>		
Change in net position	\$ (619,480)	\$ 5,710,918
Add items not requiring an outlay of cash:		
Depreciation	2,952,681	2,221,145
Amortization of right of use asset - operating leases	528,496	508,307
Operating lease obligation	(483,663)	(450,091)
Net unrealized gain on investments	(1,161,600)	(346,690)
Contributions of marketable securities	-	(11,302)
Net realized (gain) loss on sale of fixed assets	(14,452)	4,072
Change in assets and liabilities		
Contributions and support receivable decrease	134,074	31,009
Rental income receivable decrease (increase)	23,656	(23,891)
Prepaid expense decrease	14,104	101,076
Accounts payable increase (decrease)	55,124	(2,613)
Accrued expenses increase	130,282	48,506
Other current liabilities (decrease) increase	(1,439)	4,747
Unearned revenue (decrease) increase	(21,655)	40,503
<b>NET CASH PROVIDED FROM OPERATIONS</b>	<u>1,536,128</u>	<u>7,835,696</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,332,668	1,117,206
Purchases of investments	(3,769,242)	(1,527,501)
Proceeds from sale of fixed assets	14,452	40,458
Purchases of fixed assets	<u>(4,910,385)</u>	<u>(3,903,928)</u>
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<u>(6,332,507)</u>	<u>(4,273,765)</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(4,796,379)	3,561,931
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>16,311,350</u>	<u>12,749,419</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 11,514,971</u></u>	<u><u>\$ 16,311,350</u></u>
<b>NONCASH FINANCING AND INVESTING ACTIVITIES</b>		
Right of use asset - operating leases obtained in exchange for new operating lease obligations	<u><u>\$ 6,102</u></u>	<u><u>\$ 3,757,046</u></u>

*See accompanying notes to the financial statements.*

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements**  
**September 30, 2024 and 2023**

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

**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 on the AETFA Board of Directors that is concurrent in duration with their term on the AETC. The at-large members are appointed to four (4) year terms.

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.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

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

**Organization – Continued**

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, and the APT Chief Legal Counsel/Chief Financial Officer. Six (6) members are appointed at-large with staggered terms of three years after the initial two-year term.

APT operates the following non-commercial educational public television stations in Alabama:

WAIQ	Montgomery
WBIQ	Birmingham
WCIQ	Mt. 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.

**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.

**Fund Accounting**

The AETC generally maintains two fund groups. The Education Trust Fund group includes funds appropriated from the State of Alabama. The Federal and Other Fund group includes funds from tower rentals, telecasting and other revenues generated from State owned assets. During fiscal years 2024 and 2023, AETC received additional supplemental appropriations from the State of Alabama General Fund. 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 accounts.

The AETFA and the APTF receive and disburse funds on behalf of APT through checking accounts under their names and control.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

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

**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.

**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.

**Contributions and Support Receivable**

Contributions and support receivable primarily consist of amounts due from grantor agencies and corporate support. Receivables are stated at unpaid balances, less an allowance for doubtful accounts. APT provides for losses on contributions and support 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, 2024 and 2023, all accounts receivable were deemed collectible by APT; therefore, no allowance was necessary.

**Rental Income Receivable**

Rental income receivable consists of amounts due from tower leases with third parties. Receivables are stated at unpaid balances, less an allowance for credit losses. APT determines the allowance estimate on a pooled basis where similar risk characteristics exist. Rental income receivables are evaluated individually when they do not share similar risk characteristics. The allowance is derived from a review of historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any factors deemed relevant by APT. As of September 30, 2024 and 2023, no allowance for credit losses was considered necessary.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

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

**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:

Transmission equipment and towers	3 to 25 years
Equipment	3 to 15 years
Furniture and fixtures	3 to 15 years
Buildings	31 years
Vehicles	5 years

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

For the years ended September 30, 2024 and 2023, depreciation expense was \$2,952,681 and \$2,221,145, respectively.

**Lease Accounting - Arrangements wherein the Organization is the Lessee**

APT leases certain space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in right of use assets (ROU) – operating leases, current portion of operating lease liabilities, and long-term operating lease liabilities on the combined statement of net position. Finance leases would be included in property and equipment, current liabilities, and finance lease obligation on the combined statement of net position if any existed. As of September 30, 2024 and 2023, APT does not have obligations that would be considered finance lease obligations.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

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

**Lease Accounting - Arrangements wherein the Organization is the Lessee - Continued**

ROU assets represent APT's right to use an underlying asset for the lease term, and lease liabilities represent APT's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. APT uses the implicit rate when it is readily determinable. Since most of APT's leases do not provide an implicit rate, to determine the present value of lease payments, APT uses the risk-free rate based on information available at lease commencement. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. APT's lease terms may include options to extend or terminate the lease when it is reasonably certain that APT will exercise the option.

APT has lease agreements with lease and non-lease components. For certain space and equipment leases, APT accounts for the lease and non-lease components as a single lease.

**Lease Accounting - Arrangements wherein the Organization is the Lessor**

Each new lease contract is evaluated for classification as a sales-type lease, direct financing or operating lease. A lease is a sales-type lease if any one of five criteria are met, as outlined in ASC 842, each of which indicate the lease, in effect, transfers control of the underlying asset to the lessee. If none of those five criteria are met, but two additional criteria are both met, indicating an organization has transferred substantially all the risks and benefits of the underlying asset to the lessee and a third party, the lease is a direct financing lease. All leases that are not sales-type or direct financing leases are operating leases. APT does not currently have any sales-type or direct financing leases.

For operating leases wherein APT is the lessor, APT assesses the probability of payments at commencement of the lease contract and subsequently recognized lease income, including variable payments based on an index or rate, over the lease term on a straight-line basis, as a component of tower space and other rental income. APT continues to measure and disclose the underlying assets subject to operating leases based on their policies for application of ASC 360, Property, Plant and Equipment.

For all asset classes APT has elected to not separate the lease and non-lease components which generally relate to taxes and insurance. APT's lease contracts are structured in a manner to reduce risks associated with the residual value of leased assets.



**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**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 up to a certain threshold. 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.

**Support and Revenue**

Support and revenue consists primarily of grants, appropriations, contributions, and other sources of revenue that fall under ASC 958. Contribution revenue under ASC 958 is recorded when the contribution is unconditional or when all conditions have been met.

**Rental Income**

Rental income relates to tower leases with third parties and are accounted for in accordance with ASC 842.

**Expenses**

Expenses 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. The 2020-2022 tax years remain subject to examination by the IRS. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

**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.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

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

**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 position: without donor restrictions and with donor restrictions.

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

Net position with donor restrictions represent those amounts which are not available until future periods or are donor restricted for specific purposes. As of September 30, 2024 and 2023, net position 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, the remaining state appropriations available to APT to expend in the subsequent fiscal year, and amounts remaining from the Corporation for Public Broadcasting America Rescue Plan Act Stabilization Grants.

**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 combined 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.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

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

**Fair Value of Financial Instruments - Continued**

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, 2024 and 2023, in determining the fair value of APT's investments.

**Endowment Net Position Classification of Funds**

*ASC 958-205-05-8, Reporting Endowment Funds* provides guidance on the net position 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). APT has adopted ASC 958-205-05-8.

ASC 958-205-05-8 requires expanded disclosures surrounding APT'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.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

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

**Recent Accounting Pronouncements**

In June 2016, the FASB issued guidance (FASB ASC 326, Financial Instruments-Credit Losses) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The guidance was later made effective and applicable to private companies and nonprofits. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets that are subject to the guidance in FASB ASC 326 include rental income receivable. APT adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements.

**Reclassifications**

Certain reclassifications have been made to the financial statements for the year ended September 30, 2023, to correspond to the current year's format.

**Subsequent Events**

Subsequent events have been evaluated through April 11, 2025, which is the date the financial statements were available to be issued.

**NOTE 2 - STATE OF ALABAMA APPROPRIATION**

APT receives appropriations from the State of Alabama Education Trust Fund on a fiscal year basis as approved by the State Legislature and the Governor. For the years ended September 30, 2024 and 2023, the amounts received were \$9,625,343 and \$14,347,358, net of known reversions, respectively. During fiscal years 2024 and 2023, the APT received supplemental appropriations from the State of Alabama General Fund of \$149,452 and \$681,713, net of known reversions, respectively.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 3 - CORPORATION FOR PUBLIC BROADCASTING**

APT received grants from the Corporation for Public Broadcasting for the years ended September 30, 2024 and 2023, as follows:

**Summarized by category:**

<b>2024</b>	<b>TELEVISION</b>	<b>RADIO</b>	<b>TOTAL</b>
Community Service Grant	\$ 2,166,123	\$ 128,351	\$ 2,294,474
Interconnection Grant	35,618	-	35,618
Distance Service Grant	311,850	-	311,850
Universal Service Support Grant	74,569	-	74,569
Ready to Learn	87,750	-	87,750
	<u>\$ 2,675,910</u>	<u>\$ 128,351</u>	<u>\$ 2,804,261</u>
<b>2023</b>	<b>TELEVISION</b>	<b>RADIO</b>	<b>TOTAL</b>
Community Service Grant	\$ 1,919,566	\$ 120,558	\$ 2,040,124
Interconnection Grant	34,539	-	34,539
Distance Service Grant	285,000	-	285,000
Universal Service Support Grant	68,095	-	68,095
Ready to Learn	87,178	-	87,178
	<u>\$ 2,394,378</u>	<u>\$ 120,558</u>	<u>\$ 2,514,936</u>

**NOTE 4 - CONTRIBUTIONS**

APT receives contributions from individual donors. The total amounts received during fiscal years 2024 and 2023 are summarized as follows:

	<b>TELEVISION</b>	<b>RADIO</b>	<b>TOTAL</b>
<b>2024</b>	<u>\$ 3,797,176</u>	<u>\$ 583,029</u>	<u>\$ 4,380,205</u>
<b>2023</b>	<u>\$ 3,954,506</u>	<u>\$ 512,348</u>	<u>\$ 4,466,854</u>

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**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 2024 and 2023, which were all without donor restrictions, were:

	<u>TELEVISION</u>	<u>RADIO</u>	<u>TOTAL</u>
<b>2024</b>	<u>\$ 1,071,977</u>	<u>\$ 169,408</u>	<u>\$ 1,241,385</u>
<b>2023</b>	<u>\$ 776,210</u>	<u>\$ 202,647</u>	<u>\$ 978,857</u>

**NOTE 6 – LEASING ACTIVITIES – ARRANGEMENTS WHEREIN THE APT IS THE LESSEE**

APT has entered into several operating leases, which expire on various dates through January 2032, for certain facilities, transmitter sites and equipment. The annual rental payments on these leases amounted to \$483,548 and \$450,091 for the years ended September 30, 2024 and 2023, respectively.

The following summarizes the line items in the combined statement of net position which include amounts for operating leases as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<b>Operating Leases</b>		
Right of use assets – operating leases	<u>\$ 2,977,544</u>	<u>\$ 3,380,214</u>
Current portion of operating lease liability	389,891	363,395
Long-term operating lease liability	<u>2,690,702</u>	<u>3,075,035</u>
Total operating lease liability	<u>\$ 3,080,593</u>	<u>\$ 3,438,430</u>

The following summarizes the weighted average remaining lease term and discount rate as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<b>Weighted Average Remaining Lease Term</b>		
Operating leases	7.11 years	8.02 years
<b>Weighted Average Discount Rate</b>		
Operating leases	3.69%	3.70%

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 6 – LEASING ACTIVITIES – ARRANGEMENTS WHEREIN THE APT IS THE LESSEE - CONTINUED**

The maturities of operating lease liabilities as of September 30, 2024, were as follows:

2025	\$ 495,328
2026	466,498
2027	469,917
2028	457,947
2029	470,838
Thereafter	1,150,471
Total undiscounted cash flows	<u>3,510,999</u>
Less: present value discount	<u>(430,406)</u>
Total	<u><u>\$ 3,080,593</u></u>

The following summarizes the line items in the combined statement of functional expenses which include the components of lease expense for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease expense included in:		
Rentals & Leases – Programming and Production	\$ 33,828	\$ 31,696
Rentals & Leases – Broadcasting	16,839	1,403
Rentals & Leases – Management and General	477,829	475,208
Total	<u><u>\$ 528,496</u></u>	<u><u>\$ 508,307</u></u>

In addition to the amounts noted above, APT had short-term lease expense, variable costs and in-kind expenses of \$74,966 and \$84,225 for the years ended September 30, 2024 and 2023, respectively.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 6 – LEASING ACTIVITIES – ARRANGEMENTS WHEREIN THE APT IS THE LESSEE - CONTINUED**

The following summarizes cash flow information related to leases for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 483,548</u>	<u>\$ 449,079</u>
Lease assets obtained in exchange for lease obligations:		
Operating leases	<u>\$ 6,102</u>	<u>\$ 3,757,046</u>

**NOTE 7 – LEASING ACTIVITIES – ARRANGEMENTS WHEREIN THE ORGANIZATION IS THE LESSOR**

APT receives lease income as the lessor for certain tower space. The remaining term on existing leases ranges up to 5 years. Lease income is generally fixed over the duration of the contract and each lease contract contains clauses permitting extension or termination. Lease incentives and options for purchase of the leased asset by the lessee are generally not included.

APT is party to operating leases only and currently does not have sales-type or direct financing leases. Lease income is included within tower space and other rental in the accompanying combined statements of activities.

Property underlying operating leases is included in transmission equipment and towers on the accompanying combined statements of net position. Transmission equipment and towers as noted on the combined statement of net position also includes towers, components and other equipment that are used for APT operations and not part of the leased assets. Transmission equipment and towers had an original cost of \$23,301,925 and a carrying value of \$9,276,794, as of September 30, 2024. Transmission equipment and towers had an original cost of \$22,229,608 and a carrying value of \$9,868,349 as of September 30, 2023. Depreciation expense for such assets was \$1,681,876 and \$1,374,300 for the years ended September 30, 2024 and 2023.



**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 7 – LEASING ACTIVITIES – ARRANGEMENTS WHEREIN THE ORGANIZATION IS THE LESSOR - CONTINUED**

The following is a schedule of minimum future rentals on non-cancelable operating leases with original terms of one year or longer.

2025	\$	350,970
2026		27,799
2027		28,633
2028		21,954
	\$	<u>429,356</u>

**NOTE 8 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of APT's allocation of pooled accounts held by the State of Alabama Department of Finance, checking and sweep accounts held with financial institutions, money market funds held with financial institutions and petty cash. Cash and cash equivalents are made up of the following amounts as of September 30, 2024 and 2023:

	<u><b>2024</b></u>	<u><b>2023</b></u>
State accounts	\$ 6,475,850	\$ 10,696,637
Checking accounts	4,879,000	5,507,271
Money market	159,121	106,442
Petty cash	1,000	1,000
	<u>\$ 11,514,971</u>	<u>\$ 16,311,350</u>

**NOTE 9 – INVESTMENTS**

APT has several investment securities that are carried at fair value with unrealized gains and losses being recorded in the combined statement of activities.

**September 30, 2024**

	<u><b>Cost</b></u>	<u><b>Market Value</b></u>	<u><b>Market Value Over / (Under) Cost</b></u>
Common Stock	\$ 2,171,992	\$ 3,242,037	\$ 1,070,045
Mutual Funds	5,448,034	5,740,615	292,581
	<u>\$ 7,620,026</u>	<u>\$ 8,982,652</u>	<u>\$ 1,362,626</u>

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 9 – INVESTMENTS - CONTINUED**

**September 30, 2023**

	<b>Cost</b>	<b>Market Value</b>	<b>Market Value Over / (Under) Cost</b>
Common Stock	\$ 1,472,220	\$ 2,002,733	\$ 530,513
Mutual Funds	3,832,002	4,381,745	549,743
	<u>\$ 5,304,222</u>	<u>\$ 6,384,478</u>	<u>\$ 1,080,256</u>

Investment income is composed of the following for the years ended September 30, 2024 and 2023:

**September 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Investment interest and dividends	\$ 167,785	\$ 68,851	\$ 236,636
Net unrealized gains	677,566	393,984	1,071,550
Net realized gains	115,387	(25,337)	90,050
Investment expense	(37,366)	(19,841)	(57,207)
	<u>\$ 923,372</u>	<u>\$ 417,657</u>	<u>\$ 1,341,029</u>

**September 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Investment interest and dividends	\$ 191,497	\$ 35,315	\$ 226,812
Net unrealized (losses) gains	(54,543)	14,848	(39,695)
Net realized gains	312,809	73,576	386,385
Investment expense	(50,233)	(17,396)	(67,629)
	<u>\$ 399,530</u>	<u>\$ 106,343</u>	<u>\$ 505,873</u>

Financial instruments, which potentially subject APT to concentration of credit risk, consist principally of temporary cash investments, money market funds, and mutual funds. 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.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 9 – INVESTMENTS – CONTINUED**

The following is a summary of the inputs used as of September 30, 2024 and 2023 in valuing APT's investments carried at fair value. Investments in common stock and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

**September 30, 2024**

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Common Stock	\$ 3,242,037	\$ -	\$ -	\$ 3,242,037
Mutual Funds	5,740,615	-	-	5,740,615
Total Investments	<u>\$ 8,982,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,982,652</u>

**September 30, 2023**

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Common Stock	\$ 2,002,733	\$ -	\$ -	\$ 2,002,733
Mutual Funds	4,381,745	-	-	4,381,745
Total Investments	<u>\$ 6,384,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,384,478</u>

**NOTE 10 – ENDOWMENTS**

APT's endowment consists of several individual donor-restricted funds established for a variety of purposes. As required by GAAP, net position 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, 2024 and 2023**

**NOTE 10 – ENDOWMENTS – CONTINUED**

**Interpretation of Relevant Law**

The Board of Directors of APT 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 APT 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 APT 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 APT 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 APT determines is prudent. For the year ended September 30, 2024, there were \$50,000 of withdrawals from the endowment fund. There were no significant appropriations of endowment assets for expenditure for the year ended September 30, 2023.

**Return Objectives, Risk Parameters and Strategies**

APT’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.

Investment management of the assets of APT’s endowments shall be in accordance with the following asset allocation guidelines:

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 10 – ENDOWMENTS – CONTINUED**

**Aggregate Fund Asset Allocation Guidelines (at market value)**

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Large Cap Equities	25%	40%	30%
Small Mid Cap Equities	2%	10%	6%
International Equities	7%	20%	12%
Emerging Market Equities	5%	10%	7%
Fixed Income	15%	30%	20%
Cash & Equivalents	2%	10%	3%
Alternative	10%	25%	22%

For the 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) Alternative: 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, 2024 and 2023**

**NOTE 10 – ENDOWMENTS – CONTINUED**

**Aggregate Fund Asset Allocation Guidelines (at market value) - 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 Directors does not believe it is necessary or desirable that securities held in the Funds represent a cross section of the economy. However, 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 Directors 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 Directors 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.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 10 – ENDOWMENTS – CONTINUED**

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 APT has interpreted the UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law.

Endowment funds are included in investments on the combined statements of net position. The following analysis shows the changes in the endowment net assets for the year ended September 30, 2024 and 2023:

**September 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,877,603	\$ 1,119,818	\$ 2,997,421
Endowment gifts received	-	574,663	574,663
Endowment reclassifications	-	785,160	785,160
Endowment withdrawal for production support	(50,000)	-	(50,000)
Investment return, net	223,814	417,657	641,471
	<u>\$ 2,051,417</u>	<u>\$ 2,897,298</u>	<u>\$ 4,948,715</u>

**September 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,508,984	\$ 1,013,475	\$ 2,522,459
Endowment gifts received	217,178	-	217,178
Endowment withdrawal for production support	-	-	-
Investment return, net	151,441	106,343	257,784
	<u>\$ 1,877,603</u>	<u>\$ 1,119,818</u>	<u>\$ 2,997,421</u>

A donor restricted gift totaling the amount of \$1,359,823 was received over the course of fiscal years 2024 and 2023. These funds were moved into an endowment in fiscal year 2024. Donor restricted endowment net assets had original gift values of \$1,868,329 and fair values of \$2,897,298 on September 30, 2024. Donor restricted endowment net assets had original gift values of \$508,506 and fair values of \$1,119,818 on September 30, 2023. These amounts were included in net position with donor restrictions for the respective reporting period.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 11 - IN-KIND SERVICES AND SUPPORT**

APT receives significant support for their operations at no cost to the organization. APT's policy related to in-kind support is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow the organization to utilize it in its normal course of business, the asset will be sold at its fair market value. In-kind services and support are recorded as income and expense in the combined statement of activities. Donated services are recognized as contributions in accordance with FASB ASC 958 if the services (a) create or enhance a nonfinancial asset or (b) require specialized skills, are performed by entities or persons possessing those skills, and would need to be purchased if they were not donated. Donated fixed asset additions are recorded as income and capitalized as fixed assets on the combined statement of net position.

The following categories show the various types of services and support provided to APT for the years ended September 30, 2024 and 2023:

<b>2024</b>	<b>Television</b>	<b>Radio</b>	<b>Total</b>
Advertising	\$ 32,280	\$ 3,657	\$ 35,937
Operating expenses	-	7,352	7,352
Fundraising	-	14,170	14,170
Land lease	48,000	-	48,000
	<u>\$ 80,280</u>	<u>\$ 25,179</u>	<u>\$ 105,459</u>

<b>2023</b>	<b>Television</b>	<b>Radio</b>	<b>Total</b>
Advertising	\$ 11,224	\$ 1,399	\$ 12,623
Operating expenses	-	5,212	5,212
Fundraising	-	15,517	15,517
Land lease	48,000	-	48,000
	<u>\$ 59,224</u>	<u>\$ 22,128</u>	<u>\$ 81,352</u>

APT was provided advertising space within several publications at no cost to the organization. Based upon current market rates, APT would have paid \$35,937 and \$12,623 for these services during the fiscal years ended September 30, 2024 and 2023.

APT radio operations (WLRH-FM) was provided with the use of a copier. Based on current rental rates, WLRH-FM would have paid \$4,550 and \$3,185 for the use during the fiscal years ending September 30, 2024 and 2023.



**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 11 - IN-KIND SERVICES AND SUPPORT - CONTINUED**

APT radio operations (WLRH-FM) was provided with coffee and tea. Based on the current retail rates, WLRH-FM would have paid \$2,562 and \$1,787 during the fiscal years ending September 30, 2024 and 2023.

APT radio operations (WLRH-FM) was provided with conference registrations that were used in the fiscal years ending September 30, 2024 and 2023. WLRH-FM would have paid \$240 for these fees during each year.

APT radio operations (WLRH-FM) received donated items to be used in fundraising events with an estimated fair market value of \$14,170 and \$15,517 for the fiscal years ended September 30, 2024 and 2023.

APT television operations received donated use of land through bargain lease agreement upon where one of its studio and transmitter locations reside. Based upon market rates for land leases, the organization estimates the value of the donated land use to be \$48,000 for the fiscal years ended September 30, 2024 and 2023.

All in-kind support received by APT for the years ended September 30, 2024 and 2023, were considered without donor restrictions and able to be used by APT as determined by the board of directors and management.

**NOTE 12 - EMPLOYEE BENEFIT PLAN**

APT has two retirement plans within the organization based on employer. AETFA sponsors a 401k 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.

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. The employee contribution rate is 6% for an employee hired after January 1, 2013, who had no prior service with AETC or another state agency.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 12 - EMPLOYEE BENEFIT PLAN - CONTINUED**

The following shows the employer contributions for fiscal years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
AETFA	\$ 98,188	\$ 91,508
AETC	443,531	358,521
Total Employer Contributions	<u>\$ 541,719</u>	<u>\$ 450,029</u>

**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 each financial institution as of September 30, 2024 and 2023. At September 30, 2024 and 2023, cash balances exceeded federally insured limited by \$4,417,065 and \$5,195,795, respectively.

Credit risk for accounts receivable is considered concentrated on September 30, 2024. Most of the accounts receivable are represented by agencies of the State of Alabama which account for 50% of amounts due. The remainder is spread across various corporate support contracts which comprise 19.5% of the balance, the Corporation for Public Broadcasting accounts for 12.2%, federal agencies comprise 7%, and the remaining 11.3% is due from various other businesses and APT employees. On September 30, 2023, the concentration was predominately due from the State of Alabama which represented 50% with the remainder being primarily from corporate supporters with 13.8%, the Corporation for Public Broadcasting with 12.5%, federal agencies with 10%, and the remaining 13.7% from various other businesses and APT employees.

**NOTE 14 – CONCENTRATION OF REVENUE SOURCES**

As of September 30, 2024, approximately 46% and 13% of APT's revenue, excluding in-kind contributions, is derived from appropriations from the State of Alabama Education Trust Fund and a grant from the Corporation for Public Broadcasting. As of September 30, 2023, approximately 60% and 10% of APT's revenue, excluding in-kind contributions, is derived from appropriations from the State of Alabama Education Trust Fund and a grant from the Corporation for Public Broadcasting. The appropriation and grant are renewed annually. The current level of APT's operations and program services would be impacted or segments discontinued if the funding is not renewed.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 15 – NET POSITION RELEASED FROM DONOR RESTRICTIONS**

Net assets were released from donor restrictions during the years ended September 30, 2024 and 2023, in satisfaction of the following purposes:

	<u>2024</u>	<u>2023</u>
State appropriation - Educational Trust Fund	\$ 8,121,094	\$ 5,093,791
State appropriation - General Fund	602,999	254,033
ARPA grant - Corporation for Public Broadcasting	357,246	21,940
	<u>\$ 9,081,339</u>	<u>\$ 5,369,764</u>

**NOTE 16 – NET POSITION WITH DONOR RESTRICTIONS**

Net position with donor restrictions consist of the following as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<b>Subject to expenditure for specified purpose:</b>		
Unexpended state appropriation-Education Trust Fund	\$ 4,653,621	\$ 8,121,094
Unexpended state appropriation-General Fund	474,133	927,680
Unexpended ARPA funds from CPB	392,505	749,751
Income earned on restricted endowments	1,028,969	611,311
<b>Not available for expenditure:</b>		
Restricted endowment principal funds	<u>1,868,329</u>	<u>1,293,666</u>
	<u>\$ 8,417,557</u>	<u>\$ 11,703,502</u>

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 17 – FINANCIAL ASSETS AND LIQUIDITY**

APT's financial assets available within one year of the combined statement of net position date for general expenditure are as follows.

Financial assets at September 30,	<u>2024</u>
Cash and cash equivalents	\$ 11,514,971
Investments	8,982,652
Contributions and support receivable	239,001
Accounts receivable	<u>19,777</u>
	<u>20,756,401</u>
Less those unavailable for general expenditures within one year:	
Restricted endowment funds	<u>2,897,298</u>
	<u>2,897,298</u>
Financial assets available to meet cash needs within one year	\$ <u>17,859,103</u>

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 18 – 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.

**ALABAMA PUBLIC TELEVISION**  
**Notes to the Combined Financial Statements (Continued)**  
**September 30, 2024 and 2023**

**NOTE 19 – STATE OF ALABAMA EDUCATIONAL TRUST FUND AND GENERAL FUND APPROPRIATIONS**

On March 8, 2024, the Alabama State Legislature passed the Act 2024-412. This act provided the Alabama Educational Television Commission with an appropriation of \$150,000 from the General Fund. This appropriation was for workforce recruitment.

During the 2023 legislative session, the State of Alabama passed legislation providing supplemental appropriations to several state agencies from the Education Trust Fund and the General Fund. Act 2023-378 related to the Education Trust Fund was signed by Governor Kay Ivey on June 1, 2023. The Alabama Educational Television Commission received an additional \$2,500,000 from this legislation. According to section 1 paragraph 34 of the Act, the funds are to be expended to establish a tower in west Alabama. Act 2023-381 related to the General Fund was also signed by Governor Ivey on June 1, 2023. The Alabama Educational Television Commission received an additional \$500,000 from this legislation according to section 2 paragraph 17 of the Act.

On February 2, 2023, the Alabama Educational Television Commission received an additional appropriation from the General Fund. This appropriation was authorized by the Director of Finance, Bill Pool, from the Departmental Emergency Fund. Per the authorization letter, the funds are to be used “for a new partnership with the Alabama High School Athletic Association for costs associated with the broadcast of football championship games.”

## **SUPPLEMENTAL INFORMATION**

**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Net Position by Legal Entity**  
**As of September 30, 2024**

	<b>AETC</b>	<b>AETFA</b>	<b>APTF</b>	<b>APT COMBINED</b>
<b>ASSETS</b>				
Cash and cash equivalents				
State accounts	\$ 6,475,850	\$ -	\$ -	\$ 6,475,850
Checking accounts	-	4,333,521	546,479	4,880,000
Money market	-	159,121	-	159,121
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>6,475,850</b>	<b>4,492,642</b>	<b>546,479</b>	<b>11,514,971</b>
Other current assets				
Investments	-	8,982,652	-	8,982,652
Contributions and support receivable	1,876	233,216	3,909	239,001
Rental income receivable	19,777	-	-	19,777
Prepaid expenses	280,427	280,867	21,344	582,638
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>302,080</b>	<b>9,496,735</b>	<b>25,253</b>	<b>9,824,068</b>
<b>TOTAL CURRENT ASSETS</b>	<b>6,777,930</b>	<b>13,989,377</b>	<b>571,732</b>	<b>21,339,039</b>
<b>PROPERTY AND EQUIPMENT</b>				
Land	280,645	609,596	-	890,241
Transmission equipment and towers	31,647,354	1,691	-	31,649,045
Equipment	11,437,202	65,692	-	11,502,894
Furniture and fixtures	401,322	126,993	-	528,315
Buildings	4,392,110	1,339,930	-	5,732,040
Vehicles	790,553	148,717	-	939,270
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>48,949,186</b>	<b>2,292,619</b>	<b>-</b>	<b>51,241,805</b>
Less: Accumulated depreciation	32,326,140	1,237,342	-	33,563,482
<b>NET PROPERTY AND EQUIPMENT</b>	<b>16,623,046</b>	<b>1,055,277</b>	<b>-</b>	<b>17,678,323</b>
<b>RIGHT OF USE ASSETS - OPERATING LEASES</b>	<b>2,956,877</b>	<b>20,667</b>	<b>-</b>	<b>2,977,544</b>
<b>TOTAL ASSETS</b>	<b>\$ 26,357,853</b>	<b>\$ 15,065,321</b>	<b>\$ 571,732</b>	<b>\$ 41,994,906</b>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Net Position by Legal Entity (Continued)**  
**As of September 30, 2024**

	<b>AETC</b>	<b>AETFA</b>	<b>APTF</b>	<b>APT COMBINED</b>
<b>LIABILITIES AND NET POSITION</b>				
Accounts payable	\$ 822,131	\$ 196,155	\$ 74,563	\$ 1,092,849
Accrued salary and benefits	688,432	275,540	-	963,972
Other current liabilities	-	21,561	-	21,561
Unearned revenue	24,556	201,942	-	226,498
Current portion of operating lease liability	373,134	16,757	-	389,891
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,908,253</b>	<b>711,955</b>	<b>74,563</b>	<b>2,694,771</b>
Accrued salary and benefits - long-term	183,150	258,009	-	441,159
Long-term operating lease liability	2,686,311	4,391	-	2,690,702
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>2,869,461</b>	<b>262,400</b>	<b>-</b>	<b>3,131,861</b>
<b>TOTAL LIABILITIES</b>	<b>4,777,714</b>	<b>974,355</b>	<b>74,563</b>	<b>5,826,632</b>
<b>NET POSITION</b>				
Net position without donor restrictions	16,452,385	10,801,163	497,169	27,750,717
Net position with donor restrictions	5,127,754	3,289,803	-	8,417,557
<b>TOTAL NET POSITION</b>	<b>21,580,139</b>	<b>14,090,966</b>	<b>497,169</b>	<b>36,168,274</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 26,357,853</b>	<b>\$ 15,065,321</b>	<b>\$ 571,732</b>	<b>\$ 41,994,906</b>

*See auditors' report.*



**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Activities by Legal Entity**  
**For the Year Ended September 30, 2024**

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>APT COMBINED</u>
<b>CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS</b>				
<b>SUPPORT AND REVENUES</b>				
Appropriations - State of Alabama	\$ 4,971,722	\$ -	\$ -	\$ 4,971,722
Corporation for Public Broadcasting	-	2,804,261	-	2,804,261
Contributions	153,974	801,766	2,849,801	3,805,541
Tower space and other rental	372,391	-	-	372,391
Grants and contracts	-	844,107	-	844,107
Underwriting support	-	1,241,385	-	1,241,385
Investment income	-	923,372	-	923,372
Interest income	-	219,442	51,176	270,618
In-kind support	48,000	57,459	-	105,459
Special event revenue	-	6,719	-	6,719
Other income	3,745	2,379	-	6,124
Net position released from restrictions	8,724,093	357,246	-	9,081,339
<b>TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS</b>	<u>14,273,925</u>	<u>7,258,136</u>	<u>2,900,977</u>	<u>24,433,038</u>
<b>EXPENSES</b>				
Program Services:				
Programming and production	4,401,084	4,489,076	180,587	9,070,747
Broadcasting	3,101,347	416,110	-	3,517,457
Program information and promotion	345,396	566,274	-	911,670
Total Program Services	<u>7,847,827</u>	<u>5,471,460</u>	<u>180,587</u>	<u>13,499,874</u>
Supporting Services:				
Management and general	2,568,039	916,374	18,310	3,502,723
Fundraising and membership development	1,848	667,081	919,523	1,588,452
Underwriting	96	226,261	10,938	237,295
Depreciation	2,877,072	75,609	-	2,952,681
Total Supporting Services	<u>5,447,055</u>	<u>1,885,325</u>	<u>948,771</u>	<u>8,281,151</u>
<b>TOTAL EXPENSES</b>	<u>\$ 13,294,882</u>	<u>\$ 7,356,785</u>	<u>\$ 1,129,358</u>	<u>\$ 21,781,025</u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Activities by Legal Entity (Continued)**  
**For the Year Ended September 30, 2024**

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>APT COMBINED</u>
<b>CHANGE IN NET POSITION WITHOUT DONOR RESTRICTIONS - CONTINUED</b>				
Gain on disposal of fixed assets	\$ 14,452	\$ -	\$ -	\$ 14,452
Interdepartmental transfers	447,950	2,268,575	(2,716,525)	-
<b>INCREASE (DECREASE) IN NET POSITION WITHOUT DONOR RESTRICTIONS</b>	<u>1,441,445</u>	<u>2,169,926</u>	<u>(944,906)</u>	<u>2,666,465</u>
<b>CHANGES IN NET POSITION WITH DONOR RESTRICTIONS</b>				
Appropriation - State of Alabama Education Trust Fund	4,653,621	-	-	4,653,621
Appropriation - State of Alabama General Fund	149,452	-	-	149,452
Contributions	-	574,664	-	574,664
Investment income	-	417,657	-	417,657
Net position released from restrictions	(8,724,093)	(357,246)	-	(9,081,339)
<b>DECREASE (INCREASE) IN NET POSITION WITH DONOR RESTRICTIONS</b>	<u>(3,921,020)</u>	<u>635,075</u>	<u>-</u>	<u>(3,285,945)</u>
<b>CHANGE IN NET POSITION</b>	<u>(2,479,575)</u>	<u>2,805,001</u>	<u>(944,906)</u>	<u>(619,480)</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>24,059,714</u>	<u>11,285,965</u>	<u>1,442,075</u>	<u>36,787,754</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 21,580,139</u>	<u>\$ 14,090,966</u>	<u>\$ 497,169</u>	<u>\$ 36,168,274</u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Schedules of Functional Expenses by Legal Entity**  
**For the Year Ended September 30, 2024**

**Alabama Educational Television Commission (AETC)**

	Program Services				Supporting Services					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Services	
Salary, Wages, & Benefits	\$ 783,413	\$ 1,437,344	\$ 344,832	\$ 2,565,589	\$ 1,497,210	\$ -	\$ -	\$ -	\$ 1,497,210	\$ 4,062,799
Travel	15,655	41,900	-	57,555	22,839	24	96	-	22,959	80,514
Repairs & Maintenance	23,682	377,289	-	400,971	-	334	-	-	334	401,305
Rentals, Leases, & Rights	3,343,540	20,000	-	3,363,540	488,011	-	-	-	488,011	3,851,551
Utilities	61,488	842,682	-	904,170	106,646	-	-	-	106,646	1,010,816
Professional Services	14,189	227,763	-	241,952	72,150	-	-	-	72,150	314,102
Supplies & Other Operating	159,117	154,369	564	314,050	381,183	1,490	-	-	382,673	696,723
Depreciation	-	-	-	-	-	-	-	2,877,072	2,877,072	2,877,072
	<u>\$ 4,401,084</u>	<u>\$ 3,101,347</u>	<u>\$ 345,396</u>	<u>\$ 7,847,827</u>	<u>\$ 2,568,039</u>	<u>\$ 1,848</u>	<u>\$ 96</u>	<u>\$ 2,877,072</u>	<u>\$ 5,447,055</u>	<u>\$ 13,294,882</u>

**Alabama Educational Television Foundation Authority (AETFA)**

	Program Services				Supporting Services					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Services	
Salary, Wages, & Benefits	\$ 2,377,540	\$ 181,205	\$ 264,703	\$ 2,823,448	\$ 378,779	\$ 538,670	\$ 226,261	\$ -	\$ 1,143,710	\$ 3,967,158
Travel	103,218	31,006	5,128	139,352	61,558	2,408	-	-	63,966	203,318
Repairs & Maintenance	7,425	20,600	5	28,030	2,093	-	-	-	2,093	30,123
Rentals, Leases, & Rights	1,234,683	24,967	5,731	1,265,381	5,221	3,048	-	-	8,269	1,273,650
Utilities	22,098	11,166	37,473	70,737	7,435	7,204	-	-	14,639	85,376
Professional Services	343,847	110,358	128,152	582,357	147,904	65,731	-	-	213,635	795,992
Supplies & Other Operating	400,265	36,808	125,082	562,155	313,384	50,020	-	-	363,404	925,559
Depreciation	-	-	-	-	-	-	-	75,609	75,609	75,609
	<u>\$ 4,489,076</u>	<u>\$ 416,110</u>	<u>\$ 566,274</u>	<u>\$ 5,471,460</u>	<u>\$ 916,374</u>	<u>\$ 667,081</u>	<u>\$ 226,261</u>	<u>\$ 75,609</u>	<u>\$ 1,885,325</u>	<u>\$ 7,356,785</u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Schedule of Functional Expenses by Legal Entity (Continued)**  
**For the Year Ended September 30, 2024**

**APT Foundation (APTF)**

	Program Services				Supporting Services					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Services	
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,573	\$ 5,725	\$ -	\$ 19,298	\$ 19,298
Repairs & Maintenance	-	-	-	-	-	23,964	-	-	23,964	23,964
Rentals, Leases, & Rights	-	-	-	-	-	410	100	-	510	510
Utilities	-	-	-	-	-	98,737	1,240	-	99,977	99,977
Professional Services	180,467	-	-	180,467	1,300	544,751	-	-	546,051	726,518
Supplies & Other Operating	120	-	-	120	17,010	238,088	3,873	-	258,971	259,091
	<u>\$ 180,587</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,587</u>	<u>\$ 18,310</u>	<u>\$ 919,523</u>	<u>\$ 10,938</u>	<u>\$ -</u>	<u>\$ 948,771</u>	<u>\$ 1,129,358</u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Combining Schedule of Cash Flows by Legal Entity**  
**For the Year Ended September 30, 2024**

	<u>AETC</u>	<u>AETFA</u>	<u>APTF</u>	<u>Total APT</u>
<b>CASH FLOWS FROM OPERATIONS</b>				
Change in net position	\$ (2,479,575)	\$ 2,805,001	\$ (944,906)	\$ (619,480)
Add items not requiring an outlay of cash:				
Depreciation	2,877,072	75,609	-	2,952,681
Amortization of right of use asset - operating leases	510,852	17,644	-	528,496
Operating lease obligation	(465,806)	(17,857)	-	(483,663)
Net unrealized gain on investments	-	(1,161,600)	-	(1,161,600)
Net realized gain on sale of fixed assets	(14,452)	-	-	(14,452)
Contributions of property	(29,107)	-	-	(29,107)
Distributions of property	-	29,107	-	29,107
Change in assets and liabilities				
Contributions and support receivable decrease	51,178	73,393	9,503	134,074
Rental income receivable decrease	23,656	-	-	23,656
Prepaid expense decrease (increase)	14,458	5,512	(5,866)	14,104
Accounts payable increase (decrease)	115,540	(38,408)	(22,008)	55,124
Accrued expenses increase	67,362	62,920	-	130,282
Other current liabilities decrease	-	(1,439)	-	(1,439)
Unearned revenue increase (decrease)	435	(22,090)	-	(21,655)
Intercompany net decrease (increase)	(41,969)	45,710	(3,741)	-
<b>NET CASH PROVIDED FROM (USED IN) OPERATIONS</b>	<u>629,644</u>	<u>1,873,502</u>	<u>(967,018)</u>	<u>1,536,128</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of investments	-	2,332,668	-	2,332,668
Purchases of investments	-	(3,769,242)	-	(3,769,242)
Proceeds from sale of fixed assets	14,452	-	-	14,452
Purchases of fixed assets	(4,864,883)	(45,502)	-	(4,910,385)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<u>(4,850,431)</u>	<u>(1,482,076)</u>	<u>-</u>	<u>(6,332,507)</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(4,220,787)	391,426	(967,018)	(4,796,379)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>10,696,637</u>	<u>4,101,216</u>	<u>1,513,497</u>	<u>16,311,350</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 6,475,850</u>	<u>\$ 4,492,642</u>	<u>\$ 546,479</u>	<u>\$ 11,514,971</u>
<b>NONCASH INVESTING ACTIVITIES</b>				
Right of use asset - operating leases obtained in exchange for new operating lease obligations	<u>\$ -</u>	<u>\$ 6,102</u>	<u>\$ -</u>	<u>\$ 6,102</u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Net Position**  
**As of September 30, 2024**

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents			
State accounts	\$ 6,475,850	\$ -	\$ 6,475,850
Checking accounts	4,188,481	691,519	4,880,000
Money market	159,121	-	159,121
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>10,823,452</u>	<u>691,519</u>	<u>11,514,971</u>
Other current assets			
Investments	8,982,652	-	8,982,652
Contributions and support receivable	230,212	8,789	239,001
Rental income receivable	19,777	-	19,777
Prepaid expenses	560,608	22,030	582,638
<b>TOTAL OTHER CURRENT ASSETS</b>	<u>9,793,249</u>	<u>30,819</u>	<u>9,824,068</u>
<b>TOTAL CURRENT ASSETS</b>	<u>20,616,701</u>	<u>722,338</u>	<u>21,339,039</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land	890,241	-	890,241
Transmission equipment and towers	30,962,943	686,102	31,649,045
Equipment	11,244,190	258,704	11,502,894
Furniture and fixtures	470,108	58,207	528,315
Buildings	5,732,040	-	5,732,040
Vehicles	927,370	11,900	939,270
<b>TOTAL PROPERTY AND EQUIPMENT</b>	50,226,892	1,014,913	51,241,805
Less: Accumulated depreciation	<u>32,855,405</u>	<u>708,077</u>	<u>33,563,482</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>17,371,487</u>	<u>306,836</u>	<u>17,678,323</u>
<b>RIGHT OF USE ASSETS - OPERATING LEASES</b>	<u>2,954,157</u>	<u>23,387</u>	<u>2,977,544</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 40,942,345</u></u>	<u><u>\$ 1,052,561</u></u>	<u><u>\$ 41,994,906</u></u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Net Position (Continued)**  
**As of September 30, 2024**

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
<b>LIABILITIES AND NET POSITION</b>			
Accounts payable	\$ 1,024,819	\$ 68,030	\$ 1,092,849
Accrued salary and benefits	860,495	103,477	963,972
Other current liabilities	21,561	-	21,561
Unearned revenue	221,556	4,942	226,498
Current portion of operating lease liability	371,278	18,613	389,891
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,499,709</u>	<u>195,062</u>	<u>2,694,771</u>
Accrued salary and benefits - long-term	422,193	18,966	441,159
Long-term operating lease liability	2,685,928	4,774	2,690,702
<b>TOTAL NON CURRENT LIABILITIES</b>	<u>3,108,121</u>	<u>23,740</u>	<u>3,131,861</u>
<b>TOTAL LIABILITIES</b>	<u>5,607,830</u>	<u>218,802</u>	<u>5,826,632</u>
<b>NET POSITION</b>			
Net position without donor restrictions	27,019,760	730,957	27,750,717
Net position with donor restrictions	8,314,755	102,802	8,417,557
<b>TOTAL NET POSITION</b>	<u>35,334,515</u>	<u>833,759</u>	<u>36,168,274</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 40,942,345</u></u>	<u><u>\$ 1,052,561</u></u>	<u><u>\$ 41,994,906</u></u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Activities**  
**For the Year Ended September 30, 2024**

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
<b>CHANGES IN NET POSITION WITHOUT DONOR RESTRICTIONS</b>			
<b>SUPPORT AND REVENUES</b>			
Appropriations - State of Alabama	\$ 4,346,212	\$ 625,510	\$ 4,971,722
Corporation for Public Broadcasting	2,675,910	128,351	2,804,261
Contributions	3,222,512	583,029	3,805,541
Tower space and other rental	372,391	-	372,391
Grants and contracts	844,107	-	844,107
Underwriting support	1,071,977	169,408	1,241,385
Investment income	923,372	-	923,372
Interest income	249,787	20,831	270,618
In-kind support	80,280	25,179	105,459
Special event revenue	6,719	-	6,719
Other income	6,124	-	6,124
Net position released from restrictions	<u>8,955,842</u>	<u>125,497</u>	<u>9,081,339</u>
<b>TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS</b>	<u>22,755,233</u>	<u>1,677,805</u>	<u>24,433,038</u>
<b>EXPENSES</b>			
Program Services:			
Programming and production	8,533,244	537,503	9,070,747
Broadcasting	3,345,883	171,574	3,517,457
Program information and promotion	<u>877,310</u>	<u>34,360</u>	<u>911,670</u>
Total Program Services	<u>12,756,437</u>	<u>743,437</u>	<u>13,499,874</u>
Supporting Services:			
Management and general	3,273,413	229,310	3,502,723
Fundraising and membership development	1,440,961	147,491	1,588,452
Underwriting	173,455	63,840	237,295
Depreciation	<u>2,864,602</u>	<u>88,079</u>	<u>2,952,681</u>
Total Supporting Services	<u>7,752,431</u>	<u>528,720</u>	<u>8,281,151</u>
<b>TOTAL EXPENSES</b>	20,508,868	1,272,157	21,781,025
<b>Gain on disposal of fixed assets</b>	14,452	-	14,452
<b>Interdepartmental transfers</b>	<u>(262,473)</u>	<u>262,473</u>	<u>-</u>
<b>INCREASE IN NET POSITION WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 1,998,344</u>	<u>\$ 668,121</u>	<u>\$ 2,666,465</u>

*See auditors' report.*



**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Activities (Continued)**  
**For the Year Ended September 30, 2024**

	<u>Television</u>	<u>Radio</u>	<u>COMBINED TOTAL</u>
<b>CHANGE IN NET POSITION WITHOUT DONOR RESTRICTIONS - CONTINUED</b>			
<b>INCREASE IN NET POSITION WITHOUT DONOR RESTRICTIONS</b>	\$ 1,998,344	\$ 668,121	\$ 2,666,465
<b>CHANGES IN NET POSITION WITH DONOR RESTRICTIONS</b>			
Appropriation - State of Alabama Education Trust Fund	4,653,621	-	4,653,621
Appropriation - State of Alabama Education General Fund	149,452	-	149,452
Contributions	574,664	-	574,664
Investment income	417,657	-	417,657
Net position released from restrictions	<u>(8,955,842)</u>	<u>(125,497)</u>	<u>(9,081,339)</u>
<b>DECREASE IN NET POSITION WITH DONOR RESTRICTIONS</b>	<u>(3,160,448)</u>	<u>(125,497)</u>	<u>(3,285,945)</u>
<b>CHANGE IN NET POSITION</b>	(1,162,104)	542,624	(619,480)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>36,496,619</u>	<u>291,135</u>	<u>36,787,754</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 35,334,515</u></u>	<u><u>\$ 833,759</u></u>	<u><u>\$ 36,168,274</u></u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Schedules of Functional Expenses**  
**For the Year Ended September 30, 2024**

**Television Operations**

	Program Services				Supporting Services					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Services	
Salary, Wages, & Benefits	\$ 2,939,628	\$ 1,540,169	\$ 579,091	\$ 5,058,888	\$ 1,702,127	\$ 523,124	\$ 162,421	\$ -	\$ 2,387,672	\$ 7,446,560
Travel	117,379	72,736	5,128	195,243	82,538	13,597	5,821	-	101,956	297,199
Repairs & Maintenance	31,107	384,765	5	415,877	1,933	24,298	-	-	26,231	442,108
Rentals, Leases, & Rights	4,267,507	44,158	5,731	4,317,396	469,129	410	100	-	469,639	4,787,035
Utilities	83,586	828,537	37,473	949,596	101,031	98,738	1,240	-	201,009	1,150,605
Professional Services	537,003	310,462	124,938	972,403	221,079	544,751	-	-	765,830	1,738,233
Supplies & Other Operating	557,034	165,056	124,944	847,034	695,576	236,043	3,873	-	935,492	1,782,526
Depreciation	-	-	-	-	-	-	-	2,864,602	2,864,602	2,864,602
	<u>\$ 8,533,244</u>	<u>\$ 3,345,883</u>	<u>\$ 877,310</u>	<u>\$ 12,756,437</u>	<u>\$ 3,273,413</u>	<u>\$ 1,440,961</u>	<u>\$ 173,455</u>	<u>\$ 2,864,602</u>	<u>\$ 7,752,431</u>	<u>\$ 20,508,868</u>

**Radio Operations**

	Program Services				Supporting Services					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Depreciation	Total Supporting Services	
Salary, Wages, & Benefits	\$ 221,325	\$ 78,380	\$ 30,444	\$ 330,149	\$ 173,862	\$ 15,546	\$ 63,840	\$ -	\$ 253,248	\$ 583,397
Travel	1,494	170	-	1,664	1,859	2,408	-	-	4,267	5,931
Repairs & Maintenance	-	13,124	-	13,124	160	-	-	-	160	13,284
Rentals, Leases, & Rights	310,716	809	-	311,525	24,103	3,048	-	-	27,151	338,676
Utilities	-	25,311	-	25,311	13,050	7,203	-	-	20,253	45,564
Professional Services	1,500	27,659	3,214	32,373	275	65,731	-	-	66,006	98,379
Supplies & Other Operating	2,468	26,121	702	29,291	16,001	53,555	-	-	69,556	98,847
Depreciation	-	-	-	-	-	-	-	88,079	88,079	88,079
	<u>\$ 537,503</u>	<u>\$ 171,574</u>	<u>\$ 34,360</u>	<u>\$ 743,437</u>	<u>\$ 229,310</u>	<u>\$ 147,491</u>	<u>\$ 63,840</u>	<u>\$ 88,079</u>	<u>\$ 528,720</u>	<u>\$ 1,272,157</u>

*See auditors' report.*

**ALABAMA PUBLIC TELEVISION**  
**Television and Radio Operations**  
**Combining Schedule of Cash Flows**  
**For the Year Ended September 30, 2024**

	<u>Television</u>	<u>Radio</u>	<u>Total APT</u>
<b>CASH FLOWS FROM OPERATIONS</b>			
Change in net position	\$ (1,162,104)	\$ 542,624	\$ (619,480)
Add items not requiring an outlay of cash:			
Depreciation	2,864,602	88,079	2,952,681
Amortization of right of use asset - operating leases	509,334	19,162	528,496
Operating lease obligations	(464,501)	(19,162)	(483,663)
Net unrealized gain on investments	(1,161,600)	-	(1,161,600)
Net realized gain on sale of fixed assets	(14,452)	-	(14,452)
Change in assets and liabilities			
Contributions and support receivable decrease	91,909	42,165	134,074
Rental income receivable decrease	23,656	-	23,656
Prepaid expense decrease (increase)	21,136	(7,032)	14,104
Accounts payable increase (decrease)	109,123	(53,999)	55,124
Accrued expenses increase	99,667	30,615	130,282
Other current liabilities (decrease)	(1,439)	-	(1,439)
Unearned revenue (decrease) increase	(22,990)	1,335	(21,655)
<b>NET CASH PROVIDED FROM OPERATIONS</b>	<u>892,341</u>	<u>643,787</u>	<u>1,536,128</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments	2,332,668	-	2,332,668
Purchases of investments	(3,769,242)	-	(3,769,242)
Proceeds from sale of fixed assets	14,452	-	14,452
Purchases of fixed assets	(4,770,348)	(140,037)	(4,910,385)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<u>(6,192,470)</u>	<u>(140,037)</u>	<u>(6,332,507)</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(5,300,129)	503,750	(4,796,379)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>16,123,581</u>	<u>187,769</u>	<u>16,311,350</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 10,823,452</u>	<u>\$ 691,519</u>	<u>\$ 11,514,971</u>
<b>NONCASH INVESTING ACTIVITIES</b>			
Right of use asset - operating leases obtained in exchange for new operating lease obligations	<u>\$ 6,102</u>	<u>\$ -</u>	<u>\$ 6,102</u>

*See auditors' report.*