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Louisiana Educational Television Authority

Financial Statements

June 30, 2014

Louisiana Educational Television Authority
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Independent Auditors' Report

To the Board Members of the
Louisiana Educational Television Authority
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Louisiana Educational Television Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Louisiana Educational Television Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, including 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

To the Board Members of the
Louisiana Educational Television Authority
Baton Rouge, Louisiana

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Louisiana Educational Television Authority, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 10, the Schedule of Budgetary Comparison – General Fund on page 38, and the Schedule of Funding Progress for the OPEB Plan on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The accompanying Schedule of Board Members and Per Diem Paid on page 40 and the Annual Financial Report - General Fund Only beginning on page 45, as required by the Louisiana Division of Administration, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

To the Board Members of the
Louisiana Educational Television Authority
Baton Rouge, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2014, on our consideration of the Louisiana Educational Television Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Educational Television Authority's internal control over financial reporting and compliance.

Pinell & Martinez, llp

Covington, Louisiana
August 28, 2014

Management's Discussion and Analysis

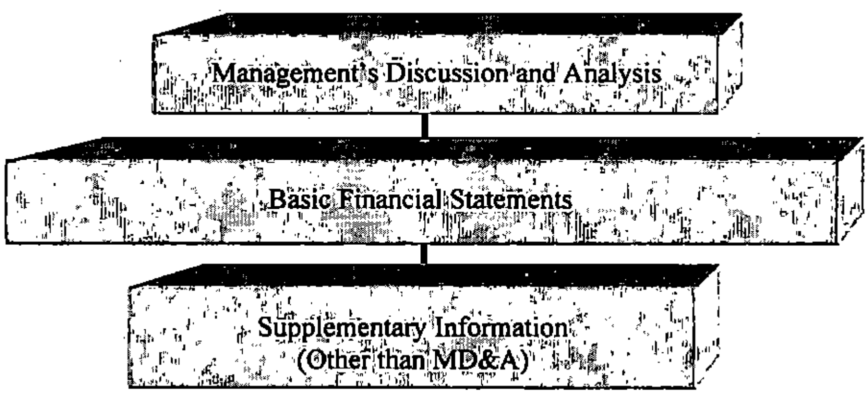
Introduction

The Management's Discussion and Analysis (MD&A) of the Louisiana Educational Television Authority, hereinafter referred to as LETA, presents a narrative overview and analysis of LETA's financial activities for the year ended June 30, 2014. This section focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the supplementary information that is provided in addition to the MD&A.

Overview of the Financial Statements

The following graph illustrates the contents of this report that contain requirements established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and supplementary information.

Financial Highlights

The following financial highlights are derived from the financial statements included in this report and provide an overview into the financial status of LETA.

- LETA's liabilities exceed assets at the close of fiscal year 2014 by $4,461,195. Total assets decreased by $710,543, approximately 18%.
- LETA's net position decreased by $1,250,747.
- The State of Louisiana rescinded $800,000 of cash from LETA's capital projects fund for the year ended June 30, 2014.
- Capital assets acquired by LETA are not included in the accompanying financial statements, since LETA acts only as a custodian of these assets and title actually rests with the State of Louisiana.
- LETA had no debt instruments (notes payables or bonds) in the current fiscal year.

In addition to the information contained in this report that directly reflects LETA's financial status, a component unit, the Foundation for Excellence in Louisiana Public Broadcasting, hereinafter referred to as the Foundation, is also shown.

- The Foundation's assets exceeded liabilities at the close of fiscal year 2014 by $35,392,852, an increase of approximately 12%. Total assets increased by $3,925,566, approximately 12%.
- The Foundation's total revenues increased $1,488,008, approximately 16%, and the net results from activities increased by $1,036,489, approximately 34%.

Basic Financial Statements

The basic financial statements present information for LETA as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include two basic components: the government-wide financial statements and the fund financial statements.

The government-wide financial statements has two sections – the statement of net position and the statement of activities – which are designed to be corporate-like in nature in that all governmental activities are consolidated into one column.

The fund financial statements has four sections: the balance sheet – governmental funds; the reconciliation of the governmental funds balance sheet to the statement of net position; the statement of revenues, expenditures and changes in fund balance – governmental funds; and the reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities. As governmental funds are established for specific purposes, the fund financial statements allow a view of what funds were established and for what purpose and a view of the sources and uses associated with such funds.

Financial Analysis of the Entity

Louisiana Educational Television Authority

The following is a condensed Statement of Net Position for LETA at June 30, 2014 with comparative amounts at June 30, 2013:

	2014	2013	Variance	% Variance
Assets				
Current assets	$ 3,220,976	$ 3,931,519	$ (710,543)	-18.07%
Liabilities				
Current liabilities	262,299	284,253	(21,954)	-7.72%
Noncurrent liabilities	7,419,872	6,857,714	562,158	8.20%
	7,682,171	7,141,967	540,204	7.56%
Net Position				
Restricted for capital projects	2,912,759	3,620,769	(708,010)	-19.55%
Unrestricted	(7,373,954)	(6,831,217)	(542,737)	7.94%
	$ (4,461,195)	$ (3,210,448)	$ (1,250,747)	38.96%

Restricted net position represents amounts that are not available for spending as a result of legislative requirements. Conversely, unrestricted net position represents amounts that do not have any limitations on how it may be spent.

Current assets decreased by $710,543, approximately 18%, from June 30, 2013 to June 30, 2014. The primary reason for the change is the State of Louisiana rescinded $800,000 of cash from LETA capital projects fund account. Also, noncurrent liabilities increased by $562,158, primarily from increased obligations associated with other postemployment benefits.

The following is a condensed Statement of Activities for LETA for the year ended June 30, 2014 with comparative amounts for the year ended June 30, 2013:

	2014	2013	Variance	% Variance
Revenues				
Program revenues				
Charges for services	$ 1,499,831	$ 1,397,322	$ 102,509	7.34%
Operating grants	-	25,000	(25,000)	-100.00%
General revenues				
State appropriations	5,774,223	6,042,353	(268,130)	-4.44%
General contributions	125,925	131,400	(5,475)	-4.17%
Support from component unit	508,001	297,325	210,676	70.86%
Interest	3,904	4,074	(170)	-4.17%
	7,911,884	7,897,474	14,410	0.18%
Expenses				
Program services	7,057,910	7,204,923	(147,013)	-2.04%
Management and general	1,304,721	1,225,764	78,957	6.44%
	8,362,631	8,430,687	(68,056)	-0.81%
Decrease in net position	(450,747)	(533,213)	82,466	15.47%
Capital assets transferred to the State of Louisiana	(800,000)	(773,863)	(26,137)	3.38%
Net position, beginning of year	(3,210,448)	(1,903,372)	(1,307,076)	68.67%
Net position, end of year	$ (4,461,195)	$ (3,210,448)	$ (1,250,747)	-38.96%

LETA's net position decreased by $1,250,747 from June 30, 2013 to June 30, 2014. The primary cause is the reduction in state appropriations and the State of Louisiana rescinding $800,000 from LETA's capital projects fund. Net position is equal to total assets less total liabilities.

Foundation for Excellence in Louisiana Public Broadcasting

The following is a condensed Statement of Net Assets for the Foundation at June 30, 2014 with comparative amounts at June 30, 2013:

	2014	2013	Variance	% Variance
ASSETS				
Current assets	$ 35,392,852	$ 31,467,286	$ 3,925,566	12.48%
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities	$ 181,543	$ 310,312	$ (128,769)	-41.50%
Net Assets				
Unrestricted				
Board designated endowment	3,725,542	3,158,512	567,030	17.95%
Board designated reserve	31,485,767	27,998,462	3,487,305	12.46%
	35,211,309	31,156,974	4,054,335	13.01%
	$ 35,392,852	$ 31,467,286	$ 3,925,566	12.48%

Restricted net assets represent those assets that are not available for spending as a result of grant or debt requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

At June 30, 2014, the Foundation's board of directors has designated $3,725,542 of unrestricted investment net assets to an endowment and $31,485,767 to specific operating activities as detailed in the notes to the financial statements.

Current assets increased by $3,925,566, approximately 12%, from June 30, 2013 to June 30, 2014. The primary reason for the change is an increase in the market value of investments.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the Foundation for the year ended June 30, 2014 with comparative amounts for the year ended June 30, 2013:

	2014	2013	Variance	% Variance
Revenues, Gains, and Other Support				
Grants and contributions	$ 2,300,916	$ 2,020,975	$ 279,941	13.85%
Membership support	1,339,229	1,181,965	157,264	13.31%
Underwriting and productions	3,169,888	3,165,801	4,087	0.13%
Investment returns	3,967,431	2,920,715	1,046,716	35.84%
	10,777,464	9,289,456	1,488,008	16.02%
Expenses and Other Deductions				
Program services	5,478,011	5,363,462	114,549	2.14%
Management and general	737,117	610,823	126,294	20.68%
Support to LETA	508,001	297,325	210,676	70.86%
	6,723,129	6,271,610	451,519	7.20%
Change in net assets	4,054,335	3,017,846	1,036,489	34.35%
Net assets, beginning of year	31,156,974	28,139,128	3,017,846	10.72%
Net assets, end of year	$ 35,211,309	$ 31,156,974	$ 4,054,335	13.01%

The Foundation's net assets increased by $4,054,335, approximately 13%, from June 30, 2013 to June 30, 2014. This change is due primarily to an increase in investment returns.

Factors Considered in the Development of Next Year's Budget and Goals

LETA's officials considered the following factors and indicators when setting next year's budget, establishing fiscal year goals, and addressing other issues that will impact LETA's operations. Included among the factors considered were:

- A 33% decrease in LETA's state general fund appropriation over the past 7 years
- A 323% increase in LETA's self-generated revenue budget appropriation over the past 7 years
- Continued partnership with the Office of the Secretary of State to expand the digital media archive library of Louisiana's historical media collection
- Continue to work closely with the Louisiana Department of Culture, Recreation and Tourism to promote Louisiana across the nation as a premier tourist destination
- Continued commitment to LETA's pre-K literacy programs through an increased number of Super Why Camps and other early childhood initiatives.

- Continued partnership with the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) to enhance GOHSEP's education and training programs and to expand community outreach and public awareness related to hurricane preparedness and other emergency situations.
- Develop partnerships with higher education and the Louisiana Board of Regents to increase public awareness and encourage utilization of the "Geaux to College" campaign which directs both students and parents to resources which will aid them in the college application process and provide support and assistance to help students experience success in college.

Contacting the Louisiana Educational Television Authority

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of LETA's finances and to show LETA's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Ms. Beth Courtney
Executive Director
7733 Perkins Road
Baton Rouge, LA 70810
225.767.4200

Government-Wide Financial Statements

Louisiana Educational Television Authority
Statement of Net Position
June 30, 2014

	Primary Government	Component Unit
ASSETS		
Current Assets		
Cash and cash equivalents	$ 29,199	$ 3,785,586
Cash restricted for capital projects	2,912,759	-
Investments	-	27,320,644
Endowment investments	-	3,725,542
Accounts receivable, net	35,229	351,625
Interest receivable	-	1,208
Due from related party	23,172	66,801
Cost of programs not yet broadcast	-	141,446
Prepaid lease	220,617	-
	$ 3,220,976	$ 35,392,852
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	$ 50,731	$ 30,654
Accrued salaries and wages payable	146,329	-
Due to related party	-	23,172
Due to State of Louisiana	3,500	-
Unearned underwriting and production revenues	-	127,717
Unearned tower and satellite lease revenues	32,523	-
Accrued compensated absences	29,216	-
	262,299	181,543
Noncurrent Liabilities		
Other postemployment benefits obligation	6,864,777	-
Accrued compensated absences	555,095	-
	7,419,872	-
	7,682,171	181,543
Net Position		
Restricted for capital projects	2,912,759	-
Unrestricted	(7,373,954)	35,211,309
	(4,461,195)	35,211,309
	$ 3,220,976	$ 35,392,852

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Statement of Activities
For the Year Ended June 30, 2014

		Program Revenues			Primary Government	Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position	Net Revenue (Expense) and Changes in Net Assets
Primary Government						
Programming and production	$ 2,905,108	$ 1,309,907	$ -	$ -	$ (1,595,201)	
Broadcasting	3,800,022	189,924	-	-	(3,610,098)	
Program information	352,780	-	-	-	(352,780)	
Management and general	1,304,721	-	-	-	(1,304,721)	
	$ 8,362,631	$ 1,499,831	$ -	$ -	(6,862,800)	
Component Unit	$ 6,723,129	$ 3,169,888	$ 3,640,145	$ -		$ 86,904
General Revenues						
State appropriations					5,774,223	-
Contributions not assigned to a specific program					125,925	-
Financial support from component unit					508,001	-
Interest and investment earnings					3,904	3,967,431
					6,412,053	3,967,431
Increase (decrease) in net position					(450,747)	4,054,335
Capital project funds rescinded by the State of Louisiana					(800,000)	-
Net position, beginning of year					(3,210,448)	31,156,974
Net position, end of year					$ (4,461,195)	$ 35,211,309

See accompanying notes to financial statements.

Fund Financial Statements

Louisiana Educational Television Authority
Balance Sheet – Governmental Funds
June 30, 2014

	General Fund	Capital Projects Fund	Total Funds
ASSETS			
Current Assets			
Cash and cash equivalents	$ 29,199	$ 2,912,759	$ 2,941,958
Accounts receivable	35,229	-	35,229
Due from related party	23,172	-	23,172
Prepaid lease	220,617	-	220,617
	$ 308,217	$ 2,912,759	$ 3,220,976
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts payable	$ 50,731	$ -	$ 50,731
Accrued salaries payable	146,329	-	146,329
Due to State of Louisiana	3,500	-	3,500
Unearned tower lease revenues	32,523	-	32,523
	233,083	-	233,083
Fund Balances			
Restricted	-	2,912,759	2,912,759
Unassigned	75,134	-	75,134
	75,134	2,912,759	2,987,893
	$ 308,217	$ 2,912,759	$ 3,220,976

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
For the Year Ended June 30, 2014

Total fund balances as shown on the governmental funds balance sheet	$	2,987,893
Liabilities that are not due and payable in the current period are not reported in the governmental funds balance sheet; however, the liabilities are recorded in the statement of net position.		
Other postemployment benefits obligation		6,864,777
Accrued compensated absences		584,311
Net position, as reflected on the statement of net position	$	(4,461,195)

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014

	General Fund	Capital Projects Fund	Total Funds
Revenues			
State appropriations	$ 5,774,223	$ -	$ 5,774,223
Grants and contributions	125,925	-	125,925
Financial support from component unit	508,001	-	508,001
Projects and local productions	31,877	-	31,877
Lease and rental revenues	1,467,954	-	1,467,954
Interest	-	3,904	3,904
	7,907,980	3,904	7,911,884
Expenditures			
Programming and production	2,880,199	-	2,880,199
Broadcasting	3,638,129	2,002	3,640,131
Program information	66,801	-	66,801
Management and general	1,184,126	-	1,184,126
	7,769,255	2,002	7,771,257
Excess of revenues over expenditures	138,725	1,902	140,627
Other Financings Sources (Uses)			
Transfers in	-	90,088	90,088
Transfers (out)	(90,088)	-	(90,088)
	(90,088)	90,088	-
Excess of revenues and other sources over expenditures and other uses	48,637	91,990	140,627
Other			
Capital projects fund cash rescinded by the State of Louisiana	-	(800,000)	(800,000)
Deficiency of revenues over expenditures	48,637	(708,010)	(659,373)
Fund balances, beginning of year	26,497	3,620,769	3,647,266
Fund balances, end of year	$ 75,134	$ 2,912,759	$ 2,987,893

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Decrease in fund balances as shown on the statement of revenues, expenditures, and changes in fund balance	$	(659,373)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets should be allocated over the estimated useful lives as depreciation expense. However, Louisiana Educational Television Authority is only the custodian of these assets and the State of Louisiana is the owner. Neither the capital assets nor the depreciation expense are recorded in these financial statements.		
Capital projects fund cash rescinded by the State of Louisiana		800,000
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds:		
Increase in other postemployment benefits obligation		(537,160)
Increase in accrued compensated absences		(54,214)
Decrease in net position as reflected on the statement of activities	$	(450,747)

See accompanying notes to financial statements.

1. History and Summary of Significant Accounting Policies

Organization

The Louisiana Educational Television Authority ("LETA") is a political subdivision of the State of Louisiana's executive branch. LETA is supervised by its members as provided in Louisiana Revised Statutes 17:2503.C. LETA is charged statutorily with making the benefits of educational and public television available to and promoting their use by inhabitants of Louisiana. LETA's operations are funded through an annual lapsing legislative appropriation. In addition, LETA has received funds from the State of Louisiana for the purpose of constructing transmitter and tower facilities throughout the State. Amounts included within LETA's foregoing financial statements are also included in the State of Louisiana's comprehensive annual financial report.

The Foundation for Excellence in Louisiana Public Broadcasting (the "Foundation") was established August 7, 1992 as a nonprofit Louisiana Corporation. It was organized to direct all of its efforts to the support of the LETA. The Foundation provides for an endowment to support public television in the State of Louisiana and may serve as a "repository" for funds to be utilized for the promotion, development, enhancement and assistance of public television in Louisiana. Furthermore, the Foundation operates under the authority of its Board of Directors. A majority of the Directors are nominated and appointed by the non-LETA Directors and a minority of the Directors are nominated and appointed by LETA.

Financial Reporting Entity

Based upon an assessment by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy (OSRAP), the Foundation is included as a component unit of LETA. The Governmental Accounting Standards Board (GASB) issued Statement No. 61 (GASB 61), "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*" to determine if a component unit is included in the financial reporting entity of its primary government. It has been determined that LETA is able to impose its will on the Foundation and the Foundation provides specific financial benefits to, and may impose specific financial burdens on, LETA. In addition, OSRAP has determined that exclusion of the Foundation from the financial reporting entity would render LETA's financial statements to be misleading or incomplete. Therefore, LETA's financial statements present the operations of the Foundation as a discretely presented component unit. The Foundation's audited financial statements can be obtained from LETA's management.

Financial Statement Presentation – Louisiana Educational Television Authority

LETA's financial statements include both government-wide and fund financial statements which categorize all of LETA's activities as governmental.

- Government-Wide Financial Statements:

  In the government-wide statement of net position, the governmental activity column is presented on a consolidated basis by column and is reported on a full accrual, economic resource basis. This basis recognizes all long-term assets and receivables as well as long-term debt and obligations. LETA's net assets is reported in two parts – restricted and expendable for capital projects and unrestricted.

In addition, the government-wide statement of activities reports both the gross and net cost of each of LETA's functions. The functions are also supported by general government revenues; such as: appropriations from the State of Louisiana, earnings on the capital projects cash account, and support transferred from the component unit, the Foundation. The statement of activities reduces gross expenses by related program revenues and grants. Program revenues must be directly associated with the function. Grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants. The net costs (by function) are normally covered by general revenues. LETA does not allocate indirect costs. This government-wide focus is more on the sustainability of LETA as an entity and the change in LETA's net assets resulting from the current year's activities.

- Fund Financial Statements:

  The financial transactions of LETA are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

  All of LETA's funds are reported as governmental funds. The focus of the governmental funds measurement – in the fund financial statements – is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of LETA:

  - The general fund is the general operating fund of LETA. It is used to account for the legislative appropriations provided to fund the general administrative expenses of LETA and those other expenses not funded through other specific legislative appropriations of revenues.
  - The capital projects fund is used to account for specific legislative appropriations and state general obligation bond revenues for the construction of transmitter and tower facilities at the stations and conversion to digital transmission comprising LETA's network.

- Net Position:

  LETA has implemented GASB No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for the 2014 fiscal year. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

  Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components:

  - Net Investment in Capital Assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- o Restricted - Consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- o Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

- Basis of Accounting and Measurement Focus:

  Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

  - o Accrual
    Governmental-type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.
  - o Modified Accrual
    The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means that the amount of the transaction can be determined, and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Financial Statement Presentation – Foundation for Excellence in Louisiana Public Broadcasting
The component unit's financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- *Unrestricted net assets* - net assets that are not subject to donor-imposed stipulations are classified as unrestricted. These may be designated for specific purposes by action of the Foundation's Board of Directors.
- *Temporarily restricted net assets* - support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Donor restricted support that will be met either by action of the Foundation and/or the passage of time, are classified as an increase in temporarily restricted net assets. When restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.
- *Permanently restricted net assets* - net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation are classified as permanently restricted.

- o Restricted - Consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- o Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

- Basis of Accounting and Measurement Focus:

  Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

  - o Accrual
    Governmental-type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.
  - o Modified Accrual
    The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means that the amount of the transaction can be determined, and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

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- *Permanently restricted net assets* - net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation are classified as permanently restricted.

Use of Estimates
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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses reported during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Budgets and Budgetary Accounting
LETA's budgetary process incorporates a yearly appropriation process, which is valid for a period of one year. Louisiana statute provides for an extension period of 45 days in order to liquidate encumbrances established prior to June 30. Budget revisions are allowed and implemented by budgetary amendment with approval of the Legislative Budget Committee and by interim emergency appropriations granted by the Interim Emergency Board. The budgetary information presented in the financial statements represented the last approved budgetary revisions enacted as reflected by the last approved budgetary amendment.

This budgetary information was adjusted for prepaid lease expense, general fund transfers between the General Fund and the Capital Outlay Fund, self-generated revenues, and in-kind contributions since LETA does not budget for these transactions. In addition, this budgetary information was adjusted for encumbrances outstanding at year end, and for other miscellaneous adjustments which were in the original budget but not recorded in the financial statements.

Budgetary data for the Capital Project Funds has not been presented in the accompanying financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.

Encumbrances
Encumbrances representing purchase orders, contracts or other commitments are recorded in budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis.

Cash and Cash Equivalents
For financial statement purposes, cash includes demand deposits and cash equivalents include amounts in money market funds. All highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Petty Cash Fund
LETA maintains a permanent travel and petty cash fund in the amount of $3,500 as authorized by the Commissioner of Administration in accordance with State law. The funds are permanently established and periodically replenished from the Authority's operating fund when expenditure vouchers are presented.

Investments
Investments are carried at fair value. Purchases and sales of securities are recorded on trade dates, and realized gains and losses are determined on the basis of average cost of securities sold. Investment return includes interest, dividends, administrative fees, and realized and unrealized gains and losses, and is included in the statement of activities as increases or decreases in unrestricted net assets.

The Foundation invests in alternative investments consisting of hedge funds, managed futures, commodities, private equity, private real estate, and other non-traditional investments. These investments utilize a variety of instrument strategies incorporating marketable securities and, in some cases, derivative instruments, all of which are reported at fair value by the fund managers. The underlying investments of the hedge funds are principally publicly-priced securities and derivatives. Hedging strategies may include securities denominated in foreign currencies, options, forward contracts, shore sales, or other financial instruments whose value and performance are derived, at least in part, from the performance of an underlying asset or index and the creditworthiness of the counterparty of the transactions.

Distributions of alternative investments are recognized as income to the extent of the Foundation's share of undistributed income of such investments; distributions in excess of the amount recognized as income are recorded as a reduction of investment cost. Investments considered to be permanently impaired in value are written down to their estimated net realizable value and the write down is recorded as a realized loss on investments.

Accounts Receivable
Accounts receivable consists primarily of amounts owed by customers for educational, productions, and uplink services provided. Management periodically reviews the status of all accounts receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of the customer, the relationship with the customer, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged to the allowance for doubtful accounts. Management has determined that the accounts receivable balance for the primary government, LETA, to be collectible and an allowance for doubtful accounts is considered unnecessary. The accounts receivable balance of the component unit, the Foundation, is presented net of allowance for doubtful accounts of $21,110 for the year ended June 30, 2014.

Cost of Programs Not Yet Broadcast
Costs the Foundation incurs for programs not yet broadcast are recorded as prepaid expenses. Such costs relate to program rights purchased by the Foundation that will be broadcast subsequent to June 30. Programs broadcasted within one year are classified as current assets whereas programs to be broadcasted in more than one year are classified as long-term. At June 30, 2014, there were no long-term costs incurred for programs not yet broadcast. As the programs are broadcast, the costs incurred will be included in operating expenses. Program status is evaluated annually. Costs associated with programs not considered to have future benefit are adjusted to net realizable value.

Property and Equipment
Capital assets acquired by LETA are not included in the accompanying financial statements, but are reported in the State of Louisiana's comprehensive annual financial report. LETA acts only as a custodian of these assets and title actually rests with the State of Louisiana.

The Foundation's equipment is stated at cost less accumulated depreciation and is depreciated using the straight-line method over the estimated useful life. Expenditures for repairs and maintenance are charged to operating expense as incurred.

Accrued Compensated Absences
Employees of LETA, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years of service. There is no limit on the amount of annual or sick leave that can be accumulated. LETA is legally liable to compensate an employee upon retirement or termination for up to 300 hours of unused annual leave. Upon retirement, the number of hours of unused annual leave in excess of 300 hours plus the number of hours of unused sick leave is computed into years or fraction of years and is added to the number of years of service earned by the retiree. The unused annual and sick leave is counted towards the number of years serviced only for computing the rate of retirement pay due the retiree and does not count toward the number of years necessary for retirement. The liability for unused annual leave payable at June 30, 2014 is $584,311.

In the government-wide financial statements, the compensated absences liability is recorded as a long-term obligation with portion expected to be paid within one year recorded as a current liability and an expense allocated on a functional basis. In accordance with GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, (issued in March of 2000), the accrued compensated absences balance is not recorded in the governmental fund-type financial statements at June 30, 2014. Therefore this amount represents a reconciling item between the fund and government-wide presentation.

Grants and Contributions
Grants and contributions received by the Foundation restricted to support such programs are included in deferred revenue if the donor requires commensurate value in return for their support. In such cases, the costs incurred by the Foundation will be recorded as expenses and the deferred revenue will be recognized as revenue when the programs are initially broadcast. If the donor's support is nonreciprocal in nature, the grants and contributions are included as revenue in temporarily restricted net assets. The related costs incurred by the Foundation are recorded as net assets released from restrictions and as unrestricted expenses in the accompanying statement of activities.

Lease Revenue
LETA and the Foundation earn revenues from leasing educational broadband service (EPB) channels to Sprint/Nextel under cancelable leases. For each lease, Sprint/Nextel makes monthly payments, an upfront payment and/or periodic anniversary payments. The upfront payments and periodic anniversary payments are amortized over the life of the lease with the unearned portion being recorded as deferred revenue.

Underwriting Contributions
The Foundation records revenue from program underwriting on a pro rata basis for the period covered, and for production underwriting on an estimated percentage-of-completion basis.

Production Revenue and Expense

The Foundation uses the percentage-of-completion method of accounting for production revenue, whereby the cumulative production revenue earned equals the ratio of costs incurred to the estimated total costs at completion applied to the total committed revenues from outside sponsors. Production costs include charges by subcontractors plus all direct labor and other direct costs. Indirect and general and administrative expenses are charged to expense as incurred.

Cost estimates on programs are reviewed periodically as the work progresses and adjustments, if needed, are reflected in the period in which the estimates are revised.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the Foundation was $101,925 for the year ended June 30, 2014.

Income Taxes

The Foundation has been recognized by the Internal Revenue Service as an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in these financial statements. With few exceptions, the Foundation is no longer subject to federal or state examinations by tax authorities for the years before 2010.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2014.

2. Deposits with Financial Institutions

For reporting purposes, bank accounts and money market funds are included as deposits. Deposits in bank accounts and money market funds are stated at cost, which approximate market. Under State law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

LETA's deposits consisted of the following at June 30, 2014:

	Cash	Money Market	Total
Deposits per statement of net position (reconciled bank balance)	$ 2,941,958	$ -	$ 2,941,958
Deposits in bank accounts per bank	$ 2,942,275	$ -	$ 2,942,275
Category 3 bank balances:			
a. Uninsured and uncollateralized	$ -	$ -	$ -
b. Uninsured and collateralized with securities held by the pledging institution	-	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Foundation's name	-	-	-
Total category 3 bank balances	$ -	$ -	$ -

The Foundation's deposits consisted of the following at June 30, 2014:

	Cash	Money Market	Total
Deposits per statement of net position (reconciled bank balance)	$ 1,704,309	$ 2,081,277	$ 3,785,586
Deposits in bank accounts per bank	$ 1,744,967	$ 2,081,277	$ 3,826,244
Category 3 bank balances:			
a. Uninsured and uncollateralized	$ -	$ -	$ -
b. Uninsured and collateralized with securities held by the pledging institution	-	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Foundation's name	1,494,967	1,582,095	3,077,062
Total category 3 bank balances	$ 1,494,967	$ 1,582,095	$ 3,077,062

Custodial Deposit Risk
In the case of deposits, this is the risk that in the event of a bank failure, LETA and the Foundation's deposits may not be returned. At June 30, 2014, $3,077,062 of the Foundation's bank balance of was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Foundation's name. The remaining $499,182 of the Foundation's deposits in money market funds are not exposed to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form. Disclosures required for the investments (money market funds) reported as cash equivalents are included in Note 3.

3. Investments

The Foundation's investments are measured at fair value and are comprised of the following at June 30, 2014:

Common and preferred stocks	$ 8,310,587
Mutual funds	14,532,826
Hedge funds	4,477,231
	$ 27,320,644

The following schedule summarizes the Foundation's investment return, including interest and administrative fees, and its classification in the financial statements for the year ended June 30, 2014:

Net realized gain(loss) on sale of investments	$ 585,114
Net unrealized gain(loss) on investments	2,342,914
	2,928,028
Interest and dividend income	686,060
Investment fees	(122,750)
	$ 3,491,338

Custodial Credit Risk
The risk that in the event of the failure of the counterparty to a transaction the Foundation will not be able to recover the value of investments that are in the possession of an outside party. At June 30, 2014, the Foundation's investments in common and preferred stocks, mutual funds, and hedge funds are uninsured on the performance of the custodian and are exposed to custodial credit risk because they are held by the counterparty, but not in the Foundation's name.

Interest Rate Risk
The risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Foundation's investment policy states that the weighted maturity of the fixed income portfolio shall not exceed ten years. At June 30, 2014, the Foundation's portfolio does not include any debt securities. Furthermore, the Foundation invested in a mutual fund which was made up of various hedge funds which may take both long and short term positions and use leverage.

Credit Risk
The risk that the issuer or counterparty will not meet its obligations. This credit risk is measured by the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations (rating agencies) such as Standard & Poor's (S&P) and Moody's. The Foundation limits its investment in bonds to those classified as investment grade by S&P (EBB or better) and Moody's (Baa or better). Investments in commercial paper must have a rating of not less than AI by S&P and PI by Moody's.

Concentration of Credit Risk
The risk of loss that may occur due to the amount of investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds or external investment pools). The Foundation's investment policy establishes a target asset mix which is meant to diversify the portfolio and pose a lower risk that a concentration may exist.

4. Board Designated Endowment

The Foundation's Board of Directors has designated unrestricted net assets as a general endowment fund to support the mission of the Foundation. Net assets associated with the endowment are classified and reported based on the absence of donor-imposed restrictions. Since the endowment resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while maintaining the purchasing power of the endowment assets. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Accordingly, over the long term, the Foundation expects the current spending policies to allow its endowment to grow annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The following schedule summarizes the changes in the Foundation's endowment net assets:

Balance at July 1, 2013	$ 3,158,512
Net purchases/sales of investments	167,754
Income on sales/maturities of investments	79,788
Appreciation of investments	319,488
Balance at June 30, 2014	$ 3,725,542

The Foundation's board designated endowment was comprised of the following at June 30, 2014:

Common and preferred stocks	$ 1,133,262
Mutual funds	1,981,749
Hedge funds	610,531
	$ 3,725,542

The following schedule summarizes endowment investment return, including interest and administrative fees, and its classification in the financial statements for the year ended June 30, 2014:

Net realized gain(loss) on sale of investments	$ 79,788
Net unrealized gain(loss) on investments	319,488
	399,276
Interest and dividend income	93,554
Investment fees	(16,737)
	$ 476,093

The investments note disclosure for custodial credit risk, interest rate risk, credit risk, and concentration of credit risk at Note 3 also applies to the investments held as endowment net assets.

5. Fair Value Measurements

The fair value measurement accounting literature provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Foundation has the ability access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the assets.

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments in common stocks and mutual funds (with the exception of the BRAF Pool), are valued at the quoted market prices in the active market on which the individual securities are traded. The investments in the BRAF pool represent various specific investments and various pools of funds held by BRAF for the benefit of the Foundation and other non-profit organizations. These funds are valued at the fair value of the underlying securities which are primarily determined from closing prices reported on the active market. The investments in Meridian Horizon Fund represent mutual funds which are invested in various hedge activities. These funds are valued based on information received from the underlying hedge fund managers regarding their Fund's net asset value.

The following table sets forth by level the Foundation's assets at fair value as of June 30, 2014:

	Level 1	Level 2	Level 3	Total
Cash equivalents				
Mutual funds	$ 2,081,278	$ -	$ -	$ 2,081,278
Investments				
Common and preferred stocks	8,310,586	-	-	8,310,586
Mutual funds	13,896,427	582,952	53,448	14,532,827
Alternative investments	-	-	4,477,231	4,477,231
	22,207,013	582,952	4,530,679	27,320,644
Investments - Endowment				
Common and preferred stocks	1,133,263	-	-	1,133,263
Mutual funds	1,894,967	79,493	7,288	1,981,748
Alternative investments	-	-	610,531	610,531
	3,028,230	79,493	617,819	3,725,542
	$ 27,316,521	$ 662,445	$ 5,148,498	$ 33,127,464

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used by the fund managers in determining the value at June 30, 2014:

	Mutual Funds	Alternative Investments	Hedge Funds	Total Level 3
Balance at July 1, 2013	$ 56,858	$ 3,919,029	$ 877,479	$ 4,853,366
Purchases	-	1,005,062	-	1,005,062
Sales and maturities	-	-	(706,740)	(706,740)
Net realized/unrealized gain(loss)	3,878	163,671	(170,739)	(3,190)
Balance at June 30, 2014	$ 60,736	$ 5,087,762	$ -	$ 5,148,498

6. Board Designated Reserve

Included within the Foundation's unrestricted net assets is the following board designated reserves at June 30, 2014:

	Balance at July 1, 2013	Additions	Utilized	Balance at June 30, 2014
Operating reserves	$ 6,965,389	$ 867,641	$ -	$ 7,833,030
Capital expenditures	377,033	47,079	-	424,112
Educational activities	2,902,335	361,634	-	3,263,969
Louisiana productions	3,482,694	433,821	-	3,916,515
Digital services and programs	1,160,988	144,723	-	1,305,711
Long range development	1,160,988	144,723	-	1,305,711
Emergency fund	11,949,035	1,487,684	-	13,436,719
	$ 27,998,462	$ 3,487,305	$ -	$ 31,485,767

7. Property and Equipment

The Foundation's property and equipment consist of the following:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Computer software	$ 69,938	$ -	$ -	$ 69,938
Accumulated depreciation	(69,938)	-	-	(69,938)
	$ -	$ -	$ -	$ -

8. Long-Term Liabilities

The following is a summary of changes in LETA's long-term liabilities:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Accrued compensated absences - noncurrent	$ 530,097	$ -	$ 24,998	$ 555,095
Other postemployment benefits obligation	6,327,617	728,800	(191,640)	6,864,777
	$ 6,857,714	$ 728,800	$ (166,642)	$ 7,419,872

9. Lease Commitments

LETA leases multiple tower sites and satellite space to broadcast programs under non-cancelable lease agreements. These leases are summarized as follows:

Location	Lease Term Beginning	Lease Term Ending	Expesnes for the Year Ended June 30, 2014
Kinder, Louisiana Tower	08/17/04	08/16/24	$ 21,700
Baton Rouge, Louisiana Tower	07/01/09	12/31/14	60,000
Alexandria, Louisiana Tower	03/01/12	02/28/17	19,500
Lafayette, Louisiana Tower	01/01/12	12/31/16	24,000
Shreveport, Louisiana Tower	10/01/06	09/30/26	1,000
AMC-21 Satellite	10/01/11	09/30/16	457,860

LETA's aggregate remaining minimum rental commitments as of June 30, 2014 under these leases are summarized as follows:

Year Ending June 30:	Amount
2015	$ 554,060
2016	524,060
2017	162,165
2018	22,700
2019	22,700
Thereafter	119,366
	$ 1,405,051

Rental expense for the year ended June 30, 2014 was $551,933 and is included in broadcasting expenses in the accompanying financial statements.

The lease of the tower in Kinder, Louisiana has been prepaid through August 2024. The prepaid lease balance at June 30, 2014 is $220,616.

10. Retirement Plan

Substantially all of LETA's employees are members of the Louisiana State Employees' Retirement System ("LASERS"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees. LASERS provides retirement benefits as well as disability and survivor benefits. Benefits are established by state statute. LASERS issues an annual publicly available financial report that includes financial statements and required supplementary information for LASERS. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

All full time employees are eligible to participate in LASERS. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to $300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age 60 with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits.

The Board is required to contribute to LASERS at an actuarially determined rate as required by LA Revised Statute 11:102. The following schedule summarizes the contribution percentage and employer contribution amounts for the years ended June 30:

	Contribution Percentage		Employer
Year	Employee	Employer	Contributions
2012	7.50%	25.60%	1,153,556
2013	7.50%	29.10%	1,210,044
2014	7.50%	31.30%	1,225,005

11. Postemployment Benefits Other than Pensions

Plan Description

LETA's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical, prescription drug, and life insurance to retirees, disabled retirees, and their eligible dependents. Current employees, who participate in the health plan while active, are eligible for plan benefits if they retire under an approved Statewide Retirement System. The actuarial valuation of the OPEB Plan was performed as of July 1, 2013. At the valuation date, LETA had 70 active and 40 retired participants with OGB medical or life insurance coverage.

LETA has implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, LETA recognizes the cost of post-employment benefits in the year when employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on future cash flows. Because LETA has adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

The State administers the OPEB Plan through the Office of Group Benefits. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the OPEB Plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The contribution requirements of OPEB Plan members and LETA are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay as you go basis through a combination of retiree and Board contributions. Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the OPEB Plan and if the member has Medicare coverage.

Plan Provisions

The Office of Group Benefits (OGB) offers three standard healthcare plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) Plan, and the Regional and Medical Home HMO Plan (MHHP). Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare supplemental plans.

Employees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost) in retirement. Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

Service	Employer Percentage	Employee Percentage
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Total monthly per capita premium equivalent rates for the year ended June 30, 2014 were as follows:

	PPO	HMO
Single Active	$ 566	$ 534
Retired without Medicare		
Single	1,053	998
With Spouse	1,859	1,761
Retired with 1 Medicare		
Single	342	330
With Spouse	1,265	1,206
Retired with 2 Medicare		
With Spouse	615	592

All members who retire on or after July 1, 1997 must have Medicare Parts A and B in order to qualify for the reduced premium rates.

The 2014 monthly premium rates for Medicare Supplement Plans are:

	1 Medicare	2 Medicare
Peoples Health HMO	$ 251	$ 502
Vantage HMO	151	301

OGB also provides eligible retirees Basic Term Life Insurance in the following amounts:

	Amount
Under age 65	$ 5,000
Ages 65-70	4,000
After age 70	3,000

Additional supplemental life insurance based on pay at retirement is available. Spouse life insurance amounts of $1,000, $2,000 or $4,000 are available. Retirees pay $0.54 monthly for each $1,000 of life insurance coverage and $0.98 monthly for each $1,000 of spouse life insurance coverage.

In force life insurance amounts are reduced to 75% of the initial value at age 65 and to 50% of the original amount at age 70.

Annual OPEB Cost and Net OPEB Obligation

LETA's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2013 is $717,500. Utilizing the pay-as-you-go method, LETA contributed $191,640, or 26.3%, of the annual post-employment benefits costs for the year ended June 30, 2014.

The following table presents LETA's OPEB Obligation for the fiscal year 2014:

Annual required contribution (ARC)	$ 717,500
Interest on net OPEB obligation	253,300
Adjustment to ARC	(242,000)
Annual OPEB cost	728,800
Less contributions made	(191,640)
Increase in net OPEB obligation	537,160
Net OPEB Obligation, beginning of year	6,327,617
Net OPEB Obligation, end of year	$ 6,864,777

The following table shows LETA's annual post-employment benefits cost, percentage of the cost contributed, and the net unfunded post-employment benefits liability (asset):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
June30, 2012	781,900	28.0%	5,780,731
June 30, 2013	742,200	26.3%	6,327,617
June 30, 2014	728,800	26.3%	6,864,777

Utilized the pay-as-you-go method, LETA contributed 26.3% of the annual post-employment benefits costs for the year ended June 30, 2014.

Funded Status and Funding Progress
The funded status of the plan as of July 1, 2013, was as follows:

Actuarial accrued liability (AAL)	$ 9,712,900
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 9,712,900
Funded ratio (actuarial value of plan assets - AAL)	-
Covered payroll (annual payroll of active employees covered by the plan)	4,311,500
UAAL as a percentage of covered payroll	222%

Actuarial Methods and Assumptions
Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility is actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.0% and 6% for pre-Medicare and Medicare eligible, respectively, scaling down to ultimate rates of 5% per year. LETA's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2014 was sixteen years.

12. Related Party Transactions

An agreement was entered into between the Foundation, the component unit, and the related party Friends of Louisiana Public Broadcasting. Under the terms of this agreement, Friends of Louisiana Public Broadcasting transfers funds in excess of calculated amounts to the Foundation to be used to pay for approved expenses. For the year ended June 30, 2014, Friends of Louisiana Public Broadcasting transferred $1,339,229 to the Foundation with $66,801 of that amount recorded as a related party receivable.

The Foundation, the component unit, was organized to support LETA, the primary government. Throughout the year, the Foundation serves as a "repository" for funds that are utilized for the promotion, development, enhancement, and assistance of public television in Louisiana. For the year ended June 30, 2014, the Foundation provided financial support to LETA totaling $508,001, with $15,476 of that amount recorded as a related party receivable by LETA and a related party payable by the Foundation.

Employees of LETA perform services for the Foundation for productions, programming, broadcasting, and administrative services. In return, the Foundation reimburses LETA for the services performed by those personnel. These transactions are recorded as a reduction in salaries and related benefits in LETA's accounting records and as personnel expenses in the Foundation's accounting records. For the year ended June 30, 2014, the Foundation reimbursed LETA $514,365 for personnel expenses with $3,669 of that amount recorded as a related party receivable by LETA and a related party payable by the Foundation.

The Foundation and Friends of Louisiana Public Broadcasting rent office space from LETA on a monthly basis. Rental revenue from the Foundation and Friends of Louisiana Public Broadcasting was $8,292 and $30,377, respectively, for the year ended June 30, 2014.

The Foundation reimburses LETA for the use of LETA's production, programming, and broadcasting equipment. For the year ended June 30, 2014, equipment rental expense was $1,278,030, with $4,028 of that amount recorded as a related party receivable by LETA and a related party payable by the Foundation.

13. Legal Proceeding and Contingency

LETA is involved in an ongoing legal proceeding with an employee who claims disability harassment and discrimination in the workplace. The current status of the litigation is that discovery is still ongoing in the case. Management cannot reasonably estimate a loss contingency since litigation is inherently unpredictable. LETA has substantial defenses in these matters but could incur judgments or enter into settlements of claims that could have a material adverse effect on the results of operations.

LETA is not responsible for paying defense costs in this matter. The State of Louisiana through the Office of Risk Management is paying defense legal fees.

14. Concentrations

In the normal course of operations, LETA and the Foundation maintain cash deposits with major financial institutions which, from time to time, may exceed federally insured limits. Management periodically assesses the financial condition of the institutions and believes the risk of incurring material losses related to this credit risk is remote.

Included in receivables are amounts due from various entities for such items as underwriting agreements, educational services, and production services. Payment of these accounts is dependent upon the various entities' ability to fund their projects and programs.

LETA received general fund appropriations from the State of Louisiana totaling $5,774,223, approximately 73% of total revenues, for the year ended June 30, 2014.

The Foundation received revenue totaling $2,124,633 from the Corporation for Public Broadcasting and $1,339,229 from the related party, Friends for Louisiana Public Broadcasting, during the year ended June 30, 2014. Each of these amounts exceeds ten percent of total revenue.

15. Subsequent Events

LETA evaluated subsequent events through August 28, 2014, which was the date the financial statements were available to be issued.

Required Supplementary Information

Louisiana Educational Television Authority
Schedule of Budgetary Comparison – General Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Nonbudgeted items and adjustments	Actual Amounts Budgetary Basis	Variance Favorable (Unfavorable)
Revenues						
State appropriations	$ 5,774,223	$ 5,774,223	$ 5,774,223	$ -	$ 5,774,223	$ -
Grants and contributions	-	-	125,925	(125,925)	-	-
Support from component unit	-	-	508,001	(508,001)	-	-
Projects and local productions	2,882,292	2,882,292	31,877	2,101,880	2,133,757	(748,535)
Lease and rental revenues	-	-	1,467,954	(1,467,954)	-	-
	8,656,515	8,656,515	7,907,980	-	7,907,980	(748,535)
Expenditures						
Programming and production	3,225,418	3,225,418	2,880,199	-	2,880,199	345,219
Broadcasting	3,571,678	3,571,678	3,638,129	(21,700)	3,616,429	(44,751)
Program information	392,140	392,140	66,801	-	66,801	325,339
Management and general	1,467,279	1,467,279	1,184,126	-	1,184,126	283,153
	8,656,515	8,656,515	7,769,255	(21,700)	7,747,555	908,960
Excess (deficiency) of revenues over expenditures	-	-	138,725	21,700	160,425	160,425
Other Financings Sources (Uses)						
Transfers out	-	-	(90,088)	90,088	-	-
Deficiency of revenues over expenditures	-	-	48,637	111,788	160,425	160,425
Fund balances, beginning of year	-	-	26,497	(1,339,861)	(1,313,364)	(1,313,364)
Fund balances, end of year	$ -	$ -	$ 75,134	$ (1,116,285)	$ (1,152,939)	$ (1,152,939)

See independent auditors' report.

Louisiana Educational Television Authority
Schedule of Funding Progress for OPEB Plan
For the Year Ended June 30, 2014

Date of the Actuarial Valuation	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b - a) / c]
July 1, 2011	$ -	$ 9,581,000	$ 9,581,000	-	$ 4,338,800	221%
July 1, 2012	-	9,585,000	9,585,000	-	4,311,500	222%
July 1, 2013	-	9,712,900	9,712,900	-	4,038,500	241%

See independent auditors' report.

Other Supplementary Information

Louisiana Educational Television Authority
Schedule of Board Members and Per Diem Paid
For the Year Ended June 30, 2014

Board Member	Per Diem Paid
Louisiana Educational Television Authority	
Wayne Berry	$ -
David Bondy	-
Dorothy Brown	-
Fr. James Carter	-
Gwendolyn Carter	-
Julie Cherry	-
Barbara DeCuir	-
Christian Goudeau	-
Felicia Harry	-
Carolyn Hill	-
Phillip Juban	-
Glenn Kinsey	-
Kathy Kliebert	-
Melissa Kyle	-
Barry Landry	-
Paul Sawyer	-
Deano Thornton	-
William Weldon	-
Katara Williams	-
Foundation for Excellence in Louisiana Public Broadcasting	
William Arceneaux	$ -
Sally Clausen	-
Dudley Coates	-
Mary Frey Eaton	-
Rose Hudson	-
Alston Johnson, III	-
Mary Joseph	-
Frank McArthur	-
Charles Spencer	-
Joe Traigle	-

See independent auditors' report.

Other Required Reports

PINELL & MARTINEZ LLP
Certified Public Accountants

308 South Tyler Street, Suite 4
Covington, Louisiana 70433
info@pinmarcpa.com
pinmarcpa.com
985-327-7311

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board Members of the
Louisiana Educational Television Authority
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund, of the Louisiana Educational Television Authority, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Louisiana Educational Television Authority's basic financial statements, and have issued our report thereon dated August 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Louisiana Educational Television Authority' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Educational Television Authority' internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Educational Television Authority' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Educational Television Authority financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pinell & Martinez, llp

Covington, Louisiana
August 28, 2014

Louisiana Educational Television Authority
Schedule of Findings
For the Year Ended June 30, 2014

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Louisiana Educational Television Authority, as of and for the year ended June 30, 2014, which collectively comprise the Louisiana Educational Television Authority's financial statements as listed in the table of contents. We have issued our report thereon dated August 28, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

A. Summary of Auditors' Reports

a. Financial Statements

Type of auditors' report issued:	Unmodified			

b. Internal control over financial reporting:

Material weaknesses identified		yes	✓	no
Significant deficiencies identified not considered to be material weaknesses		yes	✓	none noted

c. Noncompliance material to financial statements noted		yes	✓	no

B. Findings in Accordance with *Government Auditing Standards*

No findings noted for the year ended June 30, 2014

A. Findings in Accordance with *Government Auditing Standards*

No findings noted for the year ended June 30, 2013.

Annual Fiscal Report

The following annual fiscal report to the Office of the Governor, Division of Administration, Office of Statewide Reporting and Accounting Policy presents the financial position of the Louisiana Educational Television Authority as of June 30, 2014, and the results of its operations (including cash flows) for the year then ended. The information is presented in the format requested by the Office of Statewide Reporting and Accounting Policy for consolidation into the Louisiana Comprehensive Annual Financial Report.

Table of Contents

19-662
Schedule Number

STATE OF LOUISIANA
Annual Fiscal Reports
Fiscal Year Ended June 30, 2014

Louisiana Educational Television Authority
7733 Perkins Road
Baton Rouge, LA 70810

Send to:
Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 North Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Send to:
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397
LLAFileroom@lla.la.gov

Physical Address:
1600 North Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Elizabeth Courtney, Executive Director of the Louisiana Educational Television Authority who duly sworn, deposes and says, that the financial reports herewith given present fairly financial information of the Louisiana Educational Television Authority at June 30, 2014 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 27th day of ~~August~~, 2014

Beth Courtney
Signature of Agency Official

NOTARY PUBLIC
CHARLES WILLIAM BELSOM, JR.
LA. BAR ROLL # 23646
LIFE COMMISSION

Prepared by: Joanne Gaudet

Title: Director Business Services

Telephone No.: 225-767-4270

Date: August 27, 2014

Email: jgaudet@lpb.org

STATE OF LOUISIANA
GENERAL OPERATING APPROPRIATION FUNDS
SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY COMPARISON
CURRENT YEAR APPROPRIATION (BUDGET - LEGAL BASIS)
FOR YEAR ENDED JUNE 30, 2014

LA EDUCATIONAL TV AUTHORITY

ISIS AGENCY NO. 662

		CASH BASIS I	ADJUSTMENTS II	ACCRUAL III	AGENCY ADJUSTMENTS IV	TOTAL V	REVISED BUDGET VI	VAR FAVORABLE (UNFAVORABLE) VII
A	REVENUES							
1	APPROPRIATED BY LEGISLATURE:							
2	STATE GENERAL REVENUE	5,774,223.00	0.00	0.00		5,774,223.00	5,774,223	0.00
5	GENERAL FUND-SGR	1,874,848.77	0.00	38,293.36	(452,618.43)	1,460,523.70	2,066,375	(605,851.30)
6	GENERAL FUND- IAT	690,094.46	0.00	0.00	(16,860.80)	673,233.66	815,917	(142,683.34)
11	TOTAL APPROPRIATED REVENUE	8,339,166.23	0.00	38,293.36	(469,479.23)	7,907,980.36	8,656,515	(748,534.64)
B	EXPENDITURES							
12	APPROPRIATED EXPENDITURES:							
	BROADCASTING	8,313,466.85	1,132.54-	63,992.74	(628,771.83)	7,747,555.22	8,656,515	908,959.78
27	TOTAL APPROPRIATED EXPENDITURES	8,313,466.85	1,132.54-	63,992.74	(628,771.83)	7,747,555.22	8,656,515	908,559.78
28	EXCESS (DEFICIENCY) OF APPROPRIATED REVENUES OVER APPROPRIATED EXPENDITURES	25,699.38	1,132.54	25,699.38-		160,425.00	0	160,425.14

SCHEDULE 1

STATE OF LOUISIANA
SCHEDULE OF APPROPRIATED REVENUE BY TYPE
GENERAL OPERATING APPROPRIATION FUNDS
FOR YEAR ENDED JUNE 30, 2014

LA-EDUCATIONAL TV AUTHORITY | ISIS AGENCY NO. 662

APPROPRIATED REVENUE FUND	ISIS APPR NUMBER I	REVENUE SOURCE CODE II	CLASSIFIED CASH RECEIPTS THROUGH JUNE 30, 2014 III	UNCLASSIFIED CASH RECEIPTS AT JUNE 30, 2014 IV	TOTAL CASH DEPOSIT WITH TREASURY III + IV V	ACCOUNTS RECEIVABLE AT JUNE 30, 2014 VI	AGENCY ADJUSTMENT VII	TOTAL REVENUE VIII
FEDERAL AID								
A SUBTOTAL - FEDERAL AID			0.00	0.00	0.00	0.00		0.00
GENERAL FUND-SGR								
B0	002	1835	1,874,848.77	0.00	1,874,848.77	38,293.36	(452,618.43)	1,460,523.70
B SUBTOTAL - GENERAL FUND-SGR			1,874,848.77	0.00	1,874,848.77	38,293.36	(452,618.43)	1,460,523.70
GENERAL FUND- IAT								
C0	003	1835	0.00	0.00	0.00	0.00		0.00
C0		1930	690,094.46	0.00	690,094.46	0.00	(16,860.80)	673,233.66
C SUBTOTAL - GENERAL FUND- IAT			690,094.46	0.00	690,094.46	0.00	(16,860.80)	673,233.66
AUXILIARY FUND								
D SUBTOTAL - AUXILIARY FUND			0.00	0.00	0.00	0.00		0.00
OTHER FUNDS								
E SUBTOTAL - OTHER FUNDS			0.00	0.00	0.00	0.00		0.00

SCHEDULE 3

STATE OF LOUISIANA
SCHEDULE OF APPROPRIATED REVENUE BY TYPE
GENERAL OPERATING APPROPRIATION FUNDS
FOR YEAR ENDED JUNE 30, 2014

LA EDUCATIONAL TV AUTHORITY

ISIS AGENCY NO. 662

APPROPRIATED REVENUE FUND	ISIS APPR NUMBER I	REVENUE SOURCE CODE II	CLASSIFIED CASH RECEIPTS THROUGH JUNE 30, 2014 III	UNCLASSIFIED CASH RECEIPTS AT JUNE 30, 2014 IV	TOTAL CASH DEPOSIT WITH TREASURY III + IV V	ACCOUNTS RECEIVABLE AT JUNE 30, 2014 VI	AGENCY ADJUSTMENT VII	TOTAL REVENUE VIII
F TOTAL - APPROPRIATED REVENUE			2,564,943.23	0.00	2,564,943.23	38,293.36	(469,479.23)	2,133,757.36

SCHEDULE 3

State of Louisiana
Louisiana Educational Television Authority
Schedule of Per Diem Paid to Board Members
For the Year Ended June 30, 2014

Schedule No. 10
ISIS Agency No.662

Board Member Name	Number of Meetings Attended	Per Diem Paid
Wayne Berry	8	$ -
David Bondy	3	-
Dorothy Brown	-	-
Fr. James Carter	4	-
Gwendolyn Carter	6	-
Julie Cherry	2	-
Barbara DeCuir	8	-
Christian Goudeau	9	-
Felicia Harry	-	-
Carolyn Hill	4	-
Phillip Juban	6	-
Glenn Kinsey	6	-
Kathy Kliebert	4	-
Melissa Kyle	4	-
Barry Landry	4	-
Paul Sawyer	3	-
Deano Thornton	2	-
William Weldon	7	-
Katara Williams	3	-
		$ -

The per diem payments are authorized by Louisiana Revised Statute and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

State of Louisiana
Louisiana Educational Television Authority
Schedule of Consultant Fees for Feasibility Studies
And Other Special Reports, by Fund
For the Year Ended June 30, 2014

Schedule No. 11
ISIS Agency No.662

NONE	
TOTAL	$

This schedule is prepared in compliance with Senate concurrent Resolution No. 35 of the Regular Session of 1974.

State of Louisiana
Louisiana Educational Television Authority
Schedule of Interagency Receipts
For the Year Ended June 30, 2014

Schedule No. 13
ISIS Agency No.662

I	II	III	IV	V	VI
Agency Number	Source	Classified June 30, 2014	Unclassified June 30, 2013	Accounts Receivable on a Modified Accrual Basis	Totals
111	Governor's Office of Homeland Security and Emergency Preparedness	$ 110,458	$ -	$ -	$ 110,458
261	Louisiana Seafood and Marketing Board	119,569	-	-	119,569
671	Board of Regents	1,108	-	-	1,108
513	Louisiana Department of Wildlife and Fisheries	256,446	-	-	256,446
955	Louisiana Legislature / Joint Budget Committee	58,960	-	-	58,960
627	McNeese State University	10,748	-	-	10,748
307	Louisiana Department of Health and Hospitals	87,417	-	-	87,417
804	Louisiana Department of Insurance	10,435	-	-	10,435
619	Southern University	15,000	-	-	15,000
115	Facility Planning and Controls	1,206	-	-	1,206
139	Louisiana Secretary of State	18,747	-	-	18,747
		$ 690,094	$ -	$ -	$ 690,094

State of Louisiana
Louisiana Educational Television Authority
Schedule of Comparison Figures
For the Year Ended June 30, 2014

Schedule No. 15
ISIS Agency No.662

1) To assist OSRAP in determining the reason for the change in financial position for the state, please complete the schedule below. If the change in revenues or expenditures is more than $5 million from the previous year's figure, explain the reason for the change.

	2014	2013	Difference	Percentage Change
Revenues (a)	$ 2,133,757	$ 1,719,647	$ 414,110	24.08%
Expenditures (b)	$ 7,747,555	$ 7,988,360	$ (240,805)	-3.01%

(a) Revenues must equal the following:
Total revenue on Schedule 3 or Schedule 3-1, if prepared
\+ Full current year accrual revenues on Schedule 14
\- Full prior year accrual revenues on Schedule 14
\+ 2014 Payroll Federal revenue accrual from Note R
\- 2013 Payroll Federal revenue accrual from Note R

(b) Expenditures must agree with total expenditures on Schedule 1 or Schedule 3-1, if prepared, plus 2014 payroll accrual, less 2013 payroll accrual

2) To assist OSRAP in determining the reason for the changes in the budget, please complete the schedules below. If the change is more than $5 million, explain the reason for the difference.

	2014 Original Budget (c)	2014 Final Budget (d)	Difference	Percentage Change
Revenues	$ 8,656,515	$ 8,656,515	$ -	0.00%
Expenditures	$ 8,656,515	$ 8,656,515	$ -	0.00%

	2014 Final Budget (d)	2014 Actual (e)	Difference	Percentage Change
Revenues	$ 8,656,515	$ 7,907,980	$ (748,535)	-9.47%
Expenditures	$ 8,656,515	$ 7,747,555	$ 908,960	11.73%

(c) The original budget amount should equal the budget amount appropriated by the Legislature (Act 13 of the 2012 Reg. Session).

(d) The final budget amount should equal the original budgeted amount plus or minus all of the BA7's (revisions) and it can befound on Schedule 1, column 6.

(e) Actual revenues and expenditures can be found on Schedule 1, column 5.

State of Louisiana
Louisiana Educational Television Authority
Schedule of Cooperative Endeavors
For the Year Ended June 30, 2014

Contract Financial Management System #	Parties to the Coop	Brief Description of the Coop	Multi-year, One-Time, or Other Appropriation	Original Amount of Coop, Plus Amendments, if any	Date Original Coop was Effective	End Date of Coop, as Amended, if Applicable	Funding Source per Coop Agreement based on Net Liability for the year ended June 30, 2014							Paid - Inception for the year ended 6/30/2014	Net Liability for the year ended 6/30/2014
							100% State	100% SGR	100% Stat. Ded.	100% G.O. Bonds	100% Federal	100% IAT	100% Combination		
															0.00
None Noted															0.00
															0.00
															0.00
															0.00
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															0.00
															0.00
															0.00
		TOTAL		0.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

State of Louisiana
Louisiana Educational Television Authority
Notes to the Financial Reports
For the Year End June 30, 2014

INTRODUCTION

The Louisiana Educational Television Authority is an agency of the State of Louisiana reporting entity and was created in accordance with Title 17, Chapter 13 of the Louisiana Revised Statutes of 1950 as a part of the Executive branch of government. The Louisiana Educational Television Authority is charged with promoting the use of educational and public television and radio in the state of Louisiana and to further the educational and cultural enrichment of its citizens within the State of Louisiana.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana Educational Television Authority prepares its financial reports in accordance with the procedures established by the Division of Administration. The financial activities of the Louisiana Educational Television Authority are accounted for on a fund basis whereby a set of separate, self-balancing accounts are maintained to account for appropriated or authorized activities. The information presented herein, is reported under the modified accrual basis of accounting as prescribed by GAAP for fund level reporting.

The general fixed assets and long-term obligations of the agency are not recognized in the accompanying financial reports presented at fund level. All capital assets of the primary government are, however, reported at the government-wide level of reporting, as required by GAAP.

Annually the State of Louisiana issues a comprehensive annual financial report, which includes the activity contained in the accompanying financial reports. The comprehensive annual financial report is audited by the Louisiana Legislative Auditor.

1. FUND ACCOUNTING

General Operating Appropriations - The General Operations Fund is used to account for all general and auxiliary fund appropriated operating expenditures and minor capital acquisitions. All appropriated general and auxiliary operations revenue is accounted for in this fund.

Non-Appropriated Funds (describe each Non-Appropriated Fund)

Major State Revenues and Income Not Available - The agency collects major state revenues that are remitted to the State Treasury for deposit to statutorily dedicated funds. In addition, the agency collects funds specifically identified by the Division of Administration - Budget Office as Income Not Available that are remitted to the State Treasury. These amounts are not available to the agency for expenditure and are detailed on Schedule 4.

Payroll Clearing Fund - The Payroll Clearing Fund is used to account for payroll deductions and accrued benefits.

The non-appropriated funds relating to Major State Revenues, Income Not Available and Payroll Clearing are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. For purposes of this report presentation, collections in excess of Appropriated Means of Financing are shown on Schedule 3.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial reports. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Educational Television Authority are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy as follows:

Revenues - State General Fund and Interim Emergency Board appropriations are recognized as the net amount warranted during the fiscal year including the 45-day close period. Fees and self-generated revenues, interagency transfers, federal funds, intra-fund revenues, non-appropriated revenues, and other financing sources (with the exception of agency funds) are recognized in the amounts earned, to the extent that they are both measurable and available. (Describe other basis of revenue recognition, which differs from this.)

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that obligations of employees' vested annual and sick leave are recorded as expenditures when paid. (List any other exceptions.)

B. IMPREST FUNDS

The agency maintains a permanent Travel and Petty Cash Imprest Fund in the amount of $3,500.00 as authorized by the Commissioner of Administration and advanced by the State Treasurer's Office (STO) in accordance with Title 39. The funds are permanently established and periodically replenished from agency operating funds when expenditure vouchers are presented.

At June 30, 2014, the petty cash consists of:

- Cash in Bank Accounts $3,500.00 *
- Petty Cash on Hand $0.00
- Other Receivables $0.00

*Amounts included as cash in bank accounts above should also be included within the deposit section of Note C as deposits in bank per bank accounts.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Educational Television Authority may deposit funds with a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the agency may invest in time certificates of deposit in any bank domiciled or having a branch office in the State of Louisiana, savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities should be held in a custodial bank in the name of the agency under the account of the pledging fiscal agent bank in a holding or custodial bank. The State Treasurer's Office or agency receives safekeeping receipts or an acknowledgement of the pledge of securities from the custodial bank.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose deposits that are insured with no custodial credit risk. GASB Statement 40 requires only the separate disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either: 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2014, consisted of the following:

	Cash	Other	Total
Balance per agency books	$ 3,500	$ -	$ 3,500
Deposits in bank accounts per bank	$ 3,500	$ -	$ 3,500
Category 3 bank balances:			
a. Uninsured and uncollateralized	$ -	$ -	$ -
b. Uninsured and collateralized with securities held by the pledging institution	-	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the agency's name	-	-	-
Total category 3 bank balances	$ -	$ -	$ -

The following is a breakdown by banking institution, program, and amount of "Deposits in bank accounts per bank" balances as shown above:

Banking Institution	Fund Type	Amount
Whitney Bank	Imprest Funds	$ 3,500
Total		$ 3,500

2. INVESTMENTS (NONE)
The agency does not maintain investment accounts.

D. CAPITAL LEASE ASSETS (NONE)

E. INVENTORY OF MATERIALS AND SUPPLIES (NONE)

F. SEEDS (NONE)

G. UNEARNED REVENUE

Unearned revenue represents revenue that was received in the current and/or prior fiscal year but is not yet earned.

	Beginning Balance at July 01, 2013	Additions	Deletions	Ending Balance at June 30, 2014
Federal	$ -	$ -	$ -	$ -
Self-generated	58,541	-	(26,018)	32,523
Interagency	-	-	-	-

H. OPERATING AND CAPITAL GRANTS FOR GASB 34 PRESENTATION (NONE)

I. JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES (NONE)

J. LEAVE

1. Annual and Sick Leave
   Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave which would otherwise have been used to compute years of service for retirement. The liability for unused annual leave payable at June 30, 2014, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.104, is estimated to be $532,345.

   Civil Service General Circular Number 001155 states that classified employees belonging to the Teacher's Retirement System of Louisiana and to the Louisiana School Employee's Retirement System are not eligible for payment of unused sick leave upon retirement or death. L.R.S. 17:425 on the other hand provides for payment for up to 25 days of unused sick leave for members of these two systems. In Opinion Number 94-373, the Attorney General opined that the Civil Service Commission had jurisdiction over classified employees and therefore those members are not eligible for payment of unused sick leave. Because the Commission has no authority over unclassified employees, those members are eligible to receive such compensation. Also, LSA-R.S. 17:425 applies to all retirement systems for teachers and employees of any parish or city school board, the State Board of Elementary and Secondary Education, or other boards of control of publicly supported educational institutions. Should you have employees who upon retirement (or their heirs upon the employee's death) are compensated for up to 25 days of unused sick leave, disclose the liability. The liability for this unused sick leave payable at June 30, 2013 is $0.00.

2. Compensatory Leave (Use for Non-Exempt Employees)
   Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2013 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.104 is estimated to be $51,966.

K. OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)

Louisiana Educational Television Authority's employees participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan). OSRAP obtains OPEB information from the Office of Group Benefits for the Plans that OGB administers.

L. ENCUMBRANCES (NONE)

M. LEASE AND RENTAL COMMITMENTS

Lease agreements, if any, have non-appropriation exculpatory clauses that allow lease cancellation if the Legislature does not make an appropriation for its continuation during any future fiscal period. Total operating lease expenditures for fiscal year 2012-2013 amounted to $590,060.

1. OPERATING LEASES

Operating leases are all leases which do not meet the criteria of a capital lease. Operating leases are grouped by nature (i.e. office space, equipment, etc.) and the annual rental payments for the next five fiscal years are presented in the following schedule. (NOTE: If lease payments extend past FY 2028, create additional columns and report these future minimum lease payments in five year increments.)

Nature of Lease	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 to 2024	FY 2025 to 2029
a. Office space	$ -	$ -	$ -	$ -	$ -	$ -	$ -
b. Equipment	-	-	-	-	-	-	-
c. Land	-	-	-	-	-	-	-
d. Satellite	457,860	457,860	114,465				
e. Towers	96,200	66,200	47,700	22,700	22,700	113,500	5,867
Total	$ 554,060	$ 524,060	$ 162,165	$ 22,700	$ 22,700	$ 113,500	$ 5,867

The five-year amounts list the total amount (sum) for the five-year period, not the annual amount for each of the five years.

Rental expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter the lease. In those instances, rental expense is determined on either a straight-line or interest basis over the term of the lease, as required by GASB Statement 13, and not in accordance with lease terms. The agency does not have leases with scheduled rent increases due to temporary rent reductions used as an inducement to enter the lease.

2. <u>CAPITAL LEASES AND LEASE PURCHASES - Do not include leases on state office buildings financed through Office Facilities Corporation</u> (NONE)

3. <u>REVENUE LEASES</u> (NONE)

4. <u>LESSOR - Operating Lease</u>

   Current year lease revenues received in fiscal year 2014 totaled $151,256 from the lease of satellite uplinks. Contingent rentals received from operating leases for fiscal year 2014 were $0.00 for office space, $0.00 for buildings, $0.00 for equipment, $0.00 for land, and $0.00 for other.

N. RELATED PARTY TRANSACTIONS

An agreement was entered into between the Foundation, the component unit, and the related party Friends of Louisiana Public Broadcasting. Under the terms of this agreement, Friends of Louisiana Public Broadcasting transfers funds in excess of calculated amounts to the Foundation to be used to pay for approved expenses. For the year ended June 30, 2014, Friends of Louisiana Public Broadcasting transferred $1,339,229 to the Foundation with $66,801 of that amount recorded as a related party receivable.

The Foundation, the component unit, was organized to support LETA, the primary government. Throughout the year, the Foundation serves as a "repository" for funds that are utilized for the promotion, development, enhancement, and assistance of public television in Louisiana. For the year ended June 30, 2014, the Foundation provided financial support to LETA totaling $508,001, with $15,476 of that amount recorded as a related party receivable by LETA and a related party payable by the Foundation.

Employees of LETA perform services for the Foundation for productions, programming, broadcasting, and administrative services. In return, the Foundation reimburses LETA for the services performed by those personnel. These transactions are recorded as a reduction in salaries and related benefits in LETA's accounting records and as personnel expenses in the Foundation's accounting records. For the year ended June 30, 2014, the Foundation reimbursed LETA $514,365 for personnel expenses with $3,669 of that amount recorded as a related party receivable by LETA and a related party payable by the Foundation.

The Foundation and Friends of Louisiana Public Broadcasting rent office space from LETA on a monthly basis. Rental revenue from the Foundation and Friends of Louisiana Public Broadcasting was $8,292 and $30,377, respectively, for the year ended June 30, 2014.

The Foundation reimburses LETA for the use of LETA's production, programming, and broadcasting equipment. For the year ended June 30, 2014, equipment rental expense was $1,278,030, with $4,028 of that amount recorded as a related party receivable by LETA and a related party payable by the Foundation.

O. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES (NONE)

P. PASS-THROUGH GRANTS (NONE)

Q. IN-KIND CONTRIBUTIONS (NONE)

R. PAYROLL AND RELATED BENEFITS ACCRUAL

The following schedule reflects the 2013-2014 accrued personal services cost for this fiscal year. Louisiana Educational Television Authority pays their employees biweekly; therefore, the 2012-13 accrual calculation is based on five days and the 2013-14 accrual calculation is based on six days.

		FY 2012-13	FY 2013-14
1.	07/13/13 Payroll (gross & related)	$ 238,237	$ -
2.	07/12/14 Payroll (gross & related)	-	243,882
		x 50%	x 60%
2a.	Payroll accrual	119,119	146,329
2b.	Add voids and supplementals (off cycle) paid in the 45 day close with prior year appropriations.	-	-
3.	Total payroll accruals	$ 119,119	$ 146,329
4.	Estimated federal receivable attributed to the accrual shown above	$ -	$ -

	Total Agency Expenditures	
5.	Total programs from Schedule 1(or 3-1 if applicable) (Schedule 1, col. V, line 18 or Schedule 3-1, col. V, line 16)	$ 7,720,345
6.	Less: 2012-13 accrual: line 3, column 1 above	(119,119)
7.	Plus: 2013-14 accrual: line 3, column 2 above	146,329
8.	This should be the total for *all* programs	$ 7,747,555

	Total Federal Revenue	
9.	Federal Funds: Schedule 3, column VIII, line A or Schedule 3-1, column V, line 1 (Federal)	$ -
10.	Less: 2012-13 accrual from line 4, column 1 above	-
11.	Plus: 2013-14 accrual from line 4, column 2 above	-
12.	Less: Deferred Revenues on Note G (Federal)	-
13.	Total Federal Funds for all programs.	$ -

Accrual by Programs (total equals lines 3 and 4 from schedule above)

		Payroll	Federal Receivable
Program 1	Broadcasting	$ 146,329	$ -
Program 2		-	-
Program 3		-	-
Total		$ 146,329	$ -

S. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (NONE)

T. SUBSEQUENT EVENTS (NONE)

U. INFRASTRUCTURE (NONE)

V. LAND AND LAND IMPROVEMENTS (NONE)

W. IMPAIRMENT OF CAPITAL ASSETS AND INSURANCE RECOVERIES (NONE)

X. INTANGIBLE ASSETS (NONE)

Y. REVENUES - PLEDGED OR SOLD (GASB 48) (NONE)

Z. PREPAID EXPENSES AND ADVANCES

Certain items are commonly paid for in advance. Examples are insurance premiums and rent. If your prepayments, along with your other adjustments, exceed the materiality levels as discussed on page two of the cover letter, you should disclose this amount, including postage below.

Beginning Balance at July 01, 2013	Additions	Deletions	Ending Balance at June 30, 2014
$ 242,317		$ (21,700)	$ 220,617

Advances are monies given to providers for services to be performed at a future date. The amount of advances, for this agency at June 30, 2013 is $0.00.

AA. EMPLOYEE TERMINATION BENEFITS (NONE)

BB. POLLUTION REMEDIATION OBLIGATIONS (Governmental Funds) (NONE)

CC. ITEMS PREVIOUSLY REPORTED AS ASSETS AND LIABILITIES (NONE)

DD. NONEXCHANGE FINANCIAL GUARANTEES (NONE)

EE. CONTRACTS RETAINAGE PAYABLE (NONE)