

RECEIVED
LEGISLATIVE DIRECTOR
OCT 17 1980

20
YEAR

October 30, 1980

Ms. Celeste Vitar, C. P. A.
Harish T. Bousgros & Co., L. L. P.
1322 Tremont Drive, Suite 200
Baton Rouge, LA 70809-1482

RE: HELPD Audit ending June 30, 1980.

Dear Ms. Vitar:

The indirect cost reimbursement for the Satellite Six 89 grant was below the initial calculation due to the fact that fewer than 100 of the participating tractors were eligible for the budgeted amount.

The Foundation's request for reimbursement under the Adult Education Step II Grant was less than the full amount allowed under the grant. However, we will closely monitor the calculation of the indirect cost recoveries on each grant.

Sincerely,


Cynthia Y. Bousgros
Chief Administrative Officer

U.S. HOUSE OF REPRESENTATIVES
107th Congress
1st Session
October 13, 1990

RECEIVED
LEGISLATIVE AFFAIRS

20
YEARS

U.S. HOUSE OF REPRESENTATIVES, 2254 RAYBURN BUILDING, WASHINGTON, D.C. 20515
TELEPHONE (202) 225-4400 FAX (202) 225-8100

October 13, 1990

Mr. Calvin Vinton, C. P. A.
Harris T. Bourgeois & Co., L. L. P.
2322 Therman Drive, Suite 300
Baton Rouge, LA 70809-1487

RE: FEI/PI Audit ending June 30, 1990; ADR Subsidiary Listing

Dear Mr. Vinton:

FEI/PI agrees that the Foundation should maintain a formal accounts receivable subsidiary ledger. With the auditor's assistance we have developed this ledger for use in the current and upcoming fiscal years.

Sincerely,



Cynthia Y. Holligan
Chief Administrative Officer

RECEIVED
LEGISLATIVE COUNCIL
05 OCT 17 1996

20
YEARS

October 16, 1996

Ms. Celeste Vinton, C. P. A.
Hanna T. Bourgeois & Co., L. L. P.
2322 Thomas Drive, Suite 300
Baton Rouge, LA 70809-1487

RE: HELM Audit ending June 30, 1996; Production Revenue

Dear Ms. Vinton:

The Foundation is implementing the accrual accounting system. As such, we will, for budget purposes, recognize revenue from underwriting and local production projects by the end of the fiscal year in which the revenue was earned, rather than solely at final completion of the project.

Sincerely,



Richard V. Bourgeois
Chief Administrative Officer

FOUNDATION
FOR
LUNG RESEARCH

RECEIVED
EXECUTIVE OFFICE

20
SEPT 1968

1000 16th Street, N.W., Washington, D.C. 20036 • Telephone: (202) 462-3600 • Cable: FOUNDA FND • FAX: (202) 462-3600

OCT 17 1968

October 15, 1968

Ms. Celeste Water, C. P. A.
Harris T. Bourgeois & Co., L. L. P.
2312 Tremont Drive, Suite 200
Baton Rouge, La. 70809-1487

RE: FILPB Audit ending June 30, 1968 General Ledger

Dear Ms. Water:

In response to the auditor's recommendation, the Foundation is converting from a cash to an accrual basis. Also, though the Foundation has maintained an accounting system and recorded all Foundation transactions, the general ledger system recommended by the auditor is also being implemented.

Sincerely,



Cynthia Y. Bourgeois
Chief Administrative Officer

10/16/96
10:11 AM
10/16/96 10:11 AM

RECEIVED
LEGAL COUNSEL DIVISION

20
1996

1000 Lakeshore Drive • Baton Rouge, LA • 70804-1204 • Phone (504) 388-5200 • Fax (504) 388-5201 • TDD (504) 388-5202

OCT 17 1996

October 16, 1996

Ms. Celeste Viane, C. R. A.
Harris T. Bourgoin & Co., L. L. P.
2322 Tremont Drive, Suite 200
Baton Rouge, LA 70809-1007

RE: FELPD Audit ending June 30, 1996, Grant Reports

Dear Ms. Viane:

A procedure has been implemented to ensure that grant reports will continue to be filed timely. The quarterly fiscal forms will go to both the grant manager and the business office. Additionally, we will implement, at the start of the fiscal year, a schedule of all reporting deadlines. This schedule will be updated throughout the year.

Sincerely,



Cynthia F. Bourquin
Chief Administrative Officer

DEFERRED
REVENUE AT
JUNE 30, 1955

GRANT RECEIPTS
ON REVENUE
RECORDED

DISBURSEMENTS/
EXPENDITURES

DEFERRED
REVENUE AT
JUNE 30, 1956

\$ 1,282

\$ -

\$ -

\$ 1,282

\$ 1,587

\$ -

\$ -

\$ 1,587

\$ -

\$ 212

\$ 212

\$ -

\$ -

\$ 212

\$ 212

\$ -

\$ 1,587

\$448,106

\$448,106

\$ 1,587

CONFIDENTIAL
PAGE TWO
CONFIDENTIAL

RECEIVED
LEGISLATIVE COUNSEL
OCT 17 1986

20
YEAR

2025 RELEASE UNDER E.O. 14176

October 16, 1986

Ms. Celeste Wator, C. P. A.
Harold T. Blumgrain & Co., L. L. P.
2322 Tremont Drive, Suite 200
Baton Rouge, LA 70809-1487

RE: 1981-82 Audit ending June 30, 1986; Periodic Review

Dear Ms. Wator:

The Foundation does adopt a budget and periodically reviews the deposits to and withdrawals from the Foundation accounts. In addition to this review, the Foundation will utilize, for budgeted and actual revenue and expenditure comparisons, the format currently used by the LETA board in reviewing the state budget.

Sincerely,



Cynthia McKinnon
Chief Administrative Officer

Foundation for Excellence in Louisiana Public Broadcasting

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

The following methods and assumptions were used to estimate the fair value of each class of financial instruments none of which are held for trading purposes, for which it is practicable to estimate that value:

Cash and Short-Term Investments - For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

Marketable Securities and Investments - Fair value of securities is based on quoted market prices or dealer quotes. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Payable to Louisiana Educational Television Authority - Fair value of this payable approximates carrying value since these monies are held in escrow by the Foundation on behalf of L.E.T.A. Interest earnings on these funds are included in this balance.

The estimated approximate fair values of the Foundation's financial instruments as of June 30, 1998 are as follows:

	<u>CARRYING VALUE</u>	<u>FAIR VALUE</u>
Financial Assets:		
Cash and Short-Term Investments	\$1,747,167	\$1,747,167
Marketable Securities and Investments	3,482,412	3,436,850
	<u>\$7,230,186</u>	<u>\$7,184,046</u>
Financial Liabilities:		
Due to Louisiana Educational Television Authority	\$1,160,884	\$1,160,884
	<u>\$1,160,884</u>	<u>\$1,160,884</u>

Note 10 - Adoption of New Accounting Standard -

In 1996, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 124 "Accounting for Certain Investments Held by Not-for-Profit Organizations". This statement establishes standards for accounting and reporting by not-for-profit entities for investments in equity and debt securities with readily determined fair values. The Foundation is required to adopt this statement for the fiscal year ended June 30, 1997.

SUPPLEMENTARY INFORMATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

Note 4 - Net Assets Released from Donor Restrictions -

Net Assets were released from donor restrictions for incurring expenses satisfying the restricted purpose.

Purpose restrictions accomplished:

Friends of L.P.B. Transfer Agreements \$1,411,461

Note 5 - Due to Louisiana Educational Television Authority -

During the current and prior year, monies were received from various universities who are leasing unused transformer space on a satellite owned by Louisiana Educational Television Authority (L.E.T.A.). Upon receipt, these rental payments were deposited in the Trust account of the Foundation and are therefore considered due to L.E.T.A. Also, during the current year a payment of \$128,000 was made by the Foundation to L.E.T.A. that was applied against this liability. At June 30, 1996, the amount owed to L.E.T.A. for these rentals is \$1,147,950 which includes \$49,000 of interest earnings.

Note 6 - Concentration of Credit Risk -

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

Note 7 - Financial Instruments -

Cash balances confirmed by the banks totaling \$1,840,143 are on deposit at a local bank and with a bank trust department. They are maintained in an operating account or a cash management investment account and, therefore, not insured by the Federal Deposit Insurance Corporation with the exception of \$100,000. Certain of the cash management accounts are U.S. Government Security based money funds with balances totaling \$189,000 and other money market funds with balances totaling \$1,410,143.

The Foundation was also required to adopt Financial Accounting Standards Board Statement No. 167 'Disclosure about Fair Value of Financial Instruments' in the current year. This statement requires disclosure of the fair value of financial instruments both assets and liabilities, whether or not such instruments are recognized in the Statement of Financial Position.

HANNIS T. BOURGEOIS & CO., L.L.P.

Certified Public Accountants

1111 S. Maple Avenue, Suite 301
Baton Rouge, Louisiana 70802
(504) 383-8371

2025 FIDELITY & BOND
CORPORATION
IS AN
EQUITY PARTICIPATING
FINANCIAL INSTITUTION
THE FIDELITY GROUP IS AN
EQUITY PARTICIPATING

August 9, 2006

Independent Auditor's Report on the Supplementary Information

Board of Directors
Foundation for Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the component unit financial statements. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

Respectfully submitted,

Hannis T. Bourgeois & Co., L.L.P.

MANAGEMENT**AND****GENERAL****TOTAL EXPENSES**

\$ 20,204	\$ 281,268
28,301	55,597
231,404	2,818,162
40,770	200,280
-	48,800
<u>51,048</u>	<u>320,328</u>
<u>\$287,006</u>	<u>\$2,838,316</u>

Foundation for Excellence in Louisiana Public Broadcasting

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

the provisions of this new Statement by restating net assets as of June 30, 1998. All previously reported fund balances were considered to be unrestricted. The adjustment of \$2,972,848 made to net assets as of June 30, 1998, represents unrestricted and temporarily restricted contributions previously reported as deferred revenue. Under SFAS No. 118, restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon satisfying the restricted purpose. In addition, a prior period adjustment of \$122,122 was made to the unrestricted net asset class that was for certain production revenues earned in prior years that had not been previously recognized.

In 1998, the Foundation was also required to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a Statement of Cash Flows. As permitted by this new Statement, the Foundation has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the applicable classes of net assets required. This reclassification had no effect on the change in net assets for 1998.

The following is a detail of net assets:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Beginning of Year - July 1, 1998, as Previously Reported	\$2,821,803	\$ -	\$2,821,803
Increase in Net Assets - July 1, 1998, Due to Adoption of SFAS No. 116	471,448	2,381,408	2,852,856
Prior Period Adjustment - Correction of Error	<u>122,122</u>	<u>-</u>	<u>122,122</u>
Beginning of Year - July 1, 1998 as Restated	\$3,415,373	\$2,381,408	\$5,796,781
Increase (Decrease) in Net Assets - June 30, 1998	1,311,727	<u>(226,122)</u>	1,085,605
End of Year - June 30, 1998	<u>\$4,727,100</u>	<u>\$2,155,286</u>	<u>\$6,882,386</u>

HANNIS T. BOURGEOIS & CO., L.L.P.

Certified Public Accountants

3711 S. Maple Avenue, Suite 104
Baton Rouge, Louisiana 70726
828-625-6292

MEMBER OF THE AICPA
MEMBER OF THE
INSTITUTE OF
INTERNAL AUDITORS
MEMBER OF THE AIA
MEMBER OF THE IIA
MEMBER OF THE ICAEW
MEMBER OF THE ICFIA
MEMBER OF THE IIA
MEMBER OF THE IIA

August 8, 1996

**Board of Directors
Foundation for Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana**

We have audited the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, (a component unit of the Louisiana Educational Television Authority) as of and for the year ended June 30, 1996, and have issued our report thereon dated August 8, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nongovernmental Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

The management of the Foundation for Excellence in Louisiana Public Broadcasting is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to

HANNIS T. BOURGEOIS & CO., L.L.P.

Certified Public Accountants

1111 N. Maple Avenue, Suite 300
Denham Springs, Louisiana 70726
(504) 885-8271

MEMBER FIDELITY & BOND
SECURITIES
MEMBERED FIRM OF
FINANCIAL INSTITUTIONS
AND MEMBER OF
THE INSTITUTE OF
CERTEIFIED PUBLIC ACCOUNTANTS
OF THE STATE OF LOUISIANA

MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE NATIONAL ASSOCIATION OF PUBLIC ACCOUNTANTS
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF LOUISIANA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF MISSISSIPPI
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF ALABAMA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF MISSOURI
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF ARKANSAS
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF OKLAHOMA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF TEXAS
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF KENTUCKY
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF TENNESSEE
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF MISSOURI
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF ILLINOIS
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF INDIANA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF OHIO
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF PENNSYLVANIA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF MARYLAND
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF VIRGINIA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF NORTH CAROLINA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF SOUTH CAROLINA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF GEORGIA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF FLORIDA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF ALABAMA
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF MISSISSIPPI
MEMBER OF THE STATE SOCIETY OF PUBLIC ACCOUNTANTS OF LOUISIANA

MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE NATIONAL ASSOCIATION OF PUBLIC ACCOUNTANTS

August 8, 1996

Independent Auditor's Report

Board of Directors
Foundation for Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana

We have audited the accompanying Component Unit Statement of Financial Position of the Foundation for Excellence in Louisiana Public Broadcasting, (a component unit of the Louisiana Educational Television Authority) as of June 30, 1996 and the related statements of Activities and Cash Flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher

provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of component unit financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audits of the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting for the year ended June 30, 1998, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Foundation's ability to record, process, summarize and

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF
THE COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Foundation for Excellence in Louisiana Public Broadcasting

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1995

Note 4 - Related Party Transactions/Restricted Net Assets - Friends of Louisiana Public Broadcasting -

The Louisiana Educational Television Authority d/b/a Louisiana Public Broadcasting (LPEB) and Friends of Louisiana Public Broadcasting entered into a mutual agreement dated December 6, 1994. Under the terms of this agreement, cash and investments with a market value of \$1,887,368 were transferred in the prior year from Friends of Louisiana Public Broadcasting to an outside third party, the Baton Rouge Area Foundation, who established a fund in the name of LPEB in the nature of an endowment, to provide current income and long term protection for the operations of LPEB. Per the terms of the agreement LPEB may designate who the funds are distributed to and therefore designated the Foundation to receive these funds. At June 30, 1995, \$1,877,441 of these monies were unspent and were therefore, recorded as deferred revenues as of that date.

Furthermore, a separate agreement dated August 9, 1994, was entered into between Friends of Louisiana Public Broadcasting and the Foundation for Excellence in Louisiana Public Broadcasting. Under the terms of this agreement, Friends of Louisiana Public Broadcasting transfers quarterly excess funds as calculated per the agreement, to be used to pay for certain approved expenses. For the fiscal year ended June 30, 1995, \$675,967 was transferred to the Foundation and none of these monies were expended as of June 30, 1995. Accordingly, these monies were recorded as deferred revenue as of this date. As more fully discussed in Note 5 and as permitted by SFAS No. 118 the Foundation has retroactively applied this new standard by restating net assets as of June 30, 1995 for monies received under these transfer agreements which are considered temporarily restricted.

For the fiscal year ended June 30, 1996, \$1,188,361 was transferred to the Foundation (which includes a receivable of \$884,328) under the terms of this agreement. Furthermore, as June 30, 1998, \$2,048,104 of temporarily restricted net assets are available for the purposes described in the preceding paragraphs.

Note 5 - Change in Accounting Principle -

The Foundation was required to adopt Statement of Financial Accounting Standards (SFAS) No. 118 "Accounting for Contributions Received and Contributions Made", in 1996. In accordance with SFAS No. 118, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. As permitted by SFAS No. 118, the Foundation has retroactively applied

Foundation for Excellence in Louisiana Public Broadcasting

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

8. 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.

9. Statement of Cash Flows

For purposes of reporting cash flows, cash includes certificates of deposits and all highly liquid debt instruments with original maturities of three months or less when purchased.

Note 2 - Investment Securities -

The following is a summary of carrying values, approximate market values and unrealized gains and losses of investment securities at June 30, 1996:

	CARRYING	MARKET	UNREALIZED	
	VALUE	VALUE	GAIN	LOSS
U.S. Treasury Securities	\$1,304,558	\$1,335,318	\$30,760	\$ -
U.S. Government Agency Securities	3,003,388	3,028,842	-	25,320
Municipal Bond	199,927	199,842	-	85
U.S. Government Bond Fund	500,888	483,240	-	17,648
Mutual Fund-Equity Securities	324,655	320,177	-	4,478
	<u>\$5,482,416</u>	<u>\$5,436,459</u>	<u>\$30,760</u>	<u>\$ 74,731</u>

The carrying value and market value of securities by contractual maturities is as follows:

	CARRYING	MARKET
	VALUE	VALUE
Within One Year	\$1,287,883	\$1,292,438
One Year Through Five Years	3,384,828	3,400,480
Five Years Through Ten Years	1,210,028	1,223,480
	<u>\$5,482,418</u>	<u>\$5,436,459</u>

Note 3 - Fixed Assets and Depreciation -

A summary of fixed assets is as follows:

computer Equipment	\$ 33,887
Less: Accumulated Depreciation	<u>(33,887)</u>
	<u>\$ 0</u>

Depreciation expense for the year ended June 30, 1996 was \$0.00.

Foundation for Excellence in Louisiana Public Broadcasting

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1994

H. Estimates

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

I. Equipment

Equipment is stated at cost less accumulated depreciation, and will be depreciated using the straight-line method over five years. Expenditures for repairs and maintenance are charged to operating expense as incurred.

J. Marketable Securities and Investments

Marketable securities and investments are stated in the aggregate at their lower of amortized cost. Gains and losses on disposition or maturity of securities are determined by reference to the adjusted cost of the specific security.

K. Costs Incurred for Programs Not Yet Broadcast

Costs incurred for programs not yet broadcast relate to programs acquired by the Foundation with broadcast dates subsequent to June 30, 1994. Grants, contributions and underwriting relating to these programs are included in deferred revenue. As the programs are telecast, the costs incurred will be included in operating expenses and the related deferred revenue will be recognized.

L. Production Revenue and Expense

Production revenue is recognized on a percentage completion basis over the life of the applicable project. Production expense is recorded when incurred.

M. Program and Production Underwriting

Revenue for program underwriting is recorded on a pro rata basis for the period covered, and for production underwriting on an estimated percentage-of-completion basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

C. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board on its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statement of Not-for-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as applicable.

E. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

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. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

F. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Contributed Services

During the year ended June 30, 1998, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Foundation for Excellence in Louisiana Public Broadcasting

NOTES TO FINANCIAL STATEMENTS

June 30, 1994

Note 1 - Summary of Significant Accounting Policies -

A. Organization

The Foundation for Excellence in Louisiana Public Broadcasting (the "Foundation") was established August 7, 1993 as a nonprofit Louisiana Corporation. It was organized to direct all of its efforts to the support of the Louisiana Educational Television Authority. 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, who are appointed by Louisiana Educational Television Authority.

B. Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, the Financial Reporting Entity, established criteria for determining which potential component units should be considered part of another entity for financial reporting purposes. The basic criteria are as follows:

1. Appointment of a voting majority of an organization's governing body, and
 - a. The ability of an entity to impose its will on an organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the entity does not appoint a voting majority but are fiscally dependent on the organization.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the foregoing criteria, the management of the Louisiana Educational Television Authority has included the Foundation for Excellence in Louisiana Public Broadcasting as a component unit of the Louisiana Educational Television Authority. Since the Authority appoints the board members of the Foundation and there is a financial benefit/burden relationship between the two entities, the funds of the Foundation will be discretely presented in the Louisiana Educational Television Authority's component unit financial statements for the year ended June 30, 1994.

Foundation for Excellence in Louisiana Public Broadcasting
STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 1988

Cash Flows From Operating Activities:	
Increase in Net Assets	\$ 1,088,628
Adjustments to Reconcile Excess	
Support and Revenue Over Expenses to Cash	
Provided by Operating Activities:	
Depreciation	6,781
Accretion and Amortization of Premiums and	
Discounts on Investments - Net	7,358
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts/Grants	
Receivable	(125,593)
(Increase) Decrease in Due from Friends of	
F.P.B.	(328,362)
(Increase) Decrease in Accrued Interest	
Receivable	(21,618)
(Increase) Decrease in Cost of Programs Not	
Yet Broadcast	84,228
(Increase) Decrease in Prepaid Expense	31,548
Increase (Decrease) in Accounts Payable	46,315
Increase (Decrease) in Due to Louisiana	
Educational Television Authority - Net	881,888
Increase (Decrease) in Deferred Support and	
Revenues	(88,458)
Net Cash Provided by Operating Activities	\$ 1,267,728
Cash Flows From Investing Activities:	
Purchases of Investments	\$14,187,632)
Proceeds from Maturity of Investments	1,058,313
Net Cash Used in Investing Activities	\$ (13,098,815)
Net Increase in Cash and Cash Equivalents	\$ 188,807
Cash and Cash Equivalents - Beginning of Year	1,878,788
Cash and Cash Equivalents - End of Year	\$ 2,067,597

The accompanying notes are an integral part of this statement.

Foundation for Excellence in Louisiana Public Broadcasting

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2006

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Revenue and Other Support:			
Underwriting Income	\$ 249,129	\$ -	\$ 249,129
Community Service Grant from the Corporation for Public Broadcasting	987,585	-	987,585
Membership Support from Friends of Louisiana Public Broadcasting, Inc.	-	1,155,361	1,155,361
Louisiana Public Broad- casting Special Projects and Local Productions	409,946	-	409,946
Louisiana Public Broad- casting Trust Fund	324,943	-	324,943
Other Income	549	-	549
Interest Income	321,953	-	321,953
Federal Grants	444,504	-	444,504
Net Assets Released from Restrictions - Note G. Satisfaction of Re- striction	<u>1,811,453</u>	<u>11,813,463</u>	<u>-</u>
Total Revenue and Other Support	\$ 4,159,063	\$ 12,968,101	\$ 17,127,164
Expenses:			
Personnel Services	\$ 281,368	\$ -	\$ 281,368
Travel	55,597	-	55,597
Operating Services	2,916,153	-	2,916,153
Professional Services	289,288	-	289,288
Other Charges	65,488	-	65,488
Capital Outlay/General Support	<u>120,513</u>	<u>-</u>	<u>120,513</u>
Total Expenses	\$ 2,838,913	\$ -	\$ 2,838,913
Increase (Decrease) in Net Assets	\$ 1,311,727	\$ 12,968,101	\$ 1,456,625

The accompanying notes are an integral part of this statement.

Education and Other Nonprofit Institutions". Those standards and OAG Circular A-133 requires that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Foundation for Excellence in Louisiana Public Broadcasting as of June 30, 1996, and the change in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 8, 1996, on our consideration of the Foundation's internal control structure and a report dated August 8, 1996, on its compliance with laws and regulations.

As discussed in Note 3 to the financial statements, in 1992 the Foundation changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

Respectfully submitted,

Harvie L. Bergeron & Co., L.L.P.

Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Award Programs.....	33 - 34
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Award Programs.....	35 - 36
Schedule of Compliance Findings and Questioned Costs.....	37
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Award Program Transactions.....	38 - 39
Schedule of Compliance Finding and Questioned Costs.....	40
Independent Auditor's Report on Schedule of Federal Awards.....	41 - 42
Schedule of Federal Awards.....	43 - 44

CONTENTS

Audited Financial Statements:

Independent Auditor's Report.....	Page 1 - 2
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6 - 13

Supplementary Information:

Independent Auditor's Report on the Supplementary Information.....	14
Statement of Functional Expenses.....	15
Independent Auditor's Report on Internal Control Structure Based on an Audit of the Component Unit Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	16 - 23
Independent Auditor's Report on Compliance Based on an Audit of the Component Unit Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	24 - 25
Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Awards.....	26 - 32

report financial data consistent with the assertions of management in the component unit financial statements.

Reportable conditions were noted as follows:

CASH

FINDINGS:

During the course of our audit work in the prior year, it was noted that the amount of cash on deposit in the checking account is frequently in excess of current FDIC coverage. As a result, this excess amount of cash is considered to be uninsured.

RECOMMENDATION:

We recommended that the Foundation's business office manager contact the banker and request that the bank pledge government securities, which would be held in safekeeping with the bank's agent in the Foundation's name, sufficient to collateralize any deposits in excess of FDIC coverage.

CORRECTIVE ACTION TAKEN:

Management has informed us that they have signed an agreement with the bank that maintains this account whereby the bank pledges securities held in the Bank's portfolio to collateralize any balance in excess of FDIC insurance.

REVENUE AND RECEIPTS

ACCOUNTS RECEIVABLE SUBSIDIARY LISTING

FINDINGS:

In the prior year, and again in the current year, it was noted that the Foundation did not maintain a formal accounts receivable subsidiary ledger that could be reconciled to the general ledger which detailed and aged, by customer, invoices that have not been collected.

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MEMBER OF THE AMERICAN SOCIETY OF CONSULTING ACCOUNTANTS

August 8, 1986

Board of Directors
Foundation for Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana

We have audited the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, a component unit of the Louisiana Educational Television Authority as of and for the year ended June 30, 1986, and have issued our report thereon dated August 8, 1986.

We have applied procedures to test the Foundation's compliance with the following requirements applicable to each of its federal award programs, which are identified in the Schedule of Federal Awards, for the year ended June 30, 1986:

- Political Activity
- Civil Rights
- Federal Financial Reports
- Cash Management
- Drug Free Workplace Act
- Allowable Costs

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Media of Institutions of Higher Learning and Other Nonprofit Institutions". Our procedures were substantially less in scope than an audit,

Foundation for Excellence in Louisiana Public Broadcasting
STATEMENT OF FINANCIAL POSITION
as of June 30, 1998

ASSETS

Cash and Cash Equivalents	\$1,747,587
Marketable Securities and Investments - Note 3	8,482,418
Accounts/Grants Receivable	378,569
Accrued Interest Receivable	96,252
Cost of Programs Not Yet Broadcast	129,848
Due from Friends of L.F.B. - Note 4	494,328
Prepaid Expense	3,164
Property and Equipment, at Cost less Accumulated Depreciation of \$18,883 - Note 3	<u>20,144</u>
Total Assets	<u>\$9,362,804</u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$ 81,780
Due to Louisiana Educational Television Authority - Note 7	\$1,180,804
Deferred Support and Revenues:	
Underwriting and Local Productions	\$ 31,809
Federal Grants	1,887
Educational Services	18,283
Satellite Rental	<u>18,823</u>
Total Deferred Support and Revenues	<u>\$ 68,802</u>
Total Liabilities	<u>\$1,330,723</u>
Net Assets as Restated, Note 5:	
Unrestricted	\$5,605,175
Temporarily Restricted	<u>2,045,105</u>
Total Net Assets	<u>\$7,650,280</u>
Total Liabilities and Net Assets	<u>\$8,362,804</u>

The accompanying notes are an integral part of this statement.

compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purposes of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

General Requirements

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Drug Free Workplace Act

Specific Requirements

- Types of Services Allowed
- Matching
- Reporting
- Claims for Advances and Reimbursements

For all of the internal control categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1998, the Foundation expended 60 percent of its total federal awards under major federal award programs.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
NONPROFIT FEDERAL AWARD PROGRAM TRANSACTIONS

Foundation for Excellence in Louisiana Public Broadcasting

SCHEDULE OF COMPLIANCE FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1996

<u>PROGRAM</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>QUESTIONED COSTS</u>
Satellite Six Grant	The Final Performance Report for the Satellite Six Grant was required to be filed within 60 days of the end of the grant. The grant ended on December 31, 1995 but the Performance Report was not filed until March 29, 1996.	\$ N/A
	While performing testing of indirect costs charged to Federal Awards it was noted that the amount reimbursed by the Satellite Six Grant was \$3,128 less than the amount that should have been reimbursed per our calculation.	\$ N/A
Adult Education Step III	While performing testing of indirect costs charged to Federal Awards it was noted that the amount reimbursed by the Adult Education Step III Grant was \$961 more than the amount that should have been reimbursed per our calculation.	\$ 961

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Foundation for Excellence in Louisiana Public Broadcasting, compiled, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to its major federal award programs for the year ended June 30, 1996.

This report is intended solely for the use of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and various cognate agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, is a matter of public record.

Respectfully submitted,

Thomas L. Bourgeois & Co., L.L.P.

HANNIS T. BOURGEOIS & CO., L.L.P.

Certified Public Accountants

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BATON ROUGE, LA 70801

MEMBER FIRM OF THE

MEMBER FIRM OF THE

August 8, 1996

**Board of Directors
Foundation For Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana**

We have audited the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, in component unit of the Louisiana Educational Television Authority) as of and for the year ended June 30, 1996, and have issued our report thereon dated August 8, 1996.

We have also audited the Foundation for Excellence in Louisiana Public Broadcasting's compliance with the requirements governing matching, level of effort, or earmarking; reporting; and claims for advances and reimbursements that are applicable to its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996. The management of the Foundation for Excellence in Louisiana Public Broadcasting is responsible for the Foundation's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE
TO MAJOR FEDERAL AWARD PROGRAMS

the objective of which is the expression of an opinion on the Foundation for Excellence in Louisiana Public Broadcasting's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Foundation for Excellence in Louisiana Public Broadcasting had not complied, in all material respects, with those requirements.

This report is intended solely for the use of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and various cognizant agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Foundation for Excellence in Louisiana Public Broadcasting, is a matter of public record.

Respectfully submitted,

Harold L. Bergeron & Co., L.L.P.

Foundation for Excellence in Louisiana Public Broadcasting

SCHEDULE OF COMPLIANCE FINDINGS AND QUESTIONED COST

For the Year Ended June 30, 1996

<u>PROGRAM</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>QUESTIONED COSTS</u>
Project Legal Fees	It was noted that the quarterly Financial Status Report (Form 990A) was filed late for the third quarter of the fiscal year ending June 30, 1996	\$ N/A

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL AIDED PROGRAMS

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**FOUNDATION FOR EXCELLENCE IN
LOUISIANA PUBLIC BROADCASTING
REPORT ON ACTIVITIES AND
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1988**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: ACT 2.3 1988

ADDITIONAL RECOMMENDATION:

We again recommend, that management file all federal reports on or before the specific due dates as required by the applicable grant or agency. Management should establish at the beginning of each fiscal year, a schedule of due dates of all federal reports required to be filed for the year and adjust the schedule as new grants are obtained. As the report is filed it should be checked off the list.

FINDING:

During our testing of indirect cost reimbursement received during the current year for the Adult Education Step III Grant and the Satellite Six #3 Grant, we noted differences between indirect cost amounts requested for reimbursement and actual calculated amounts. The amount of indirect cost reimbursement received under the Adult Education Step III Grant was \$962 more than the amount that should have been requested per our calculation. The amount of indirect cost reimbursement received under the Satellite Six #3 grant was \$3,108 less than what should have been requested per our calculation.

RECOMMENDATION:

We recommend that in the future, greater care be exercised when calculating indirect cost reimbursements on federal grants.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the use of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and various cognizant agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, is a matter of public record.

Respectfully submitted,

Thomas L. Benjamin & Co., L.L.P.

for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Foundation for Excellence in Louisiana Public Broadcasting's major federal financial assistance programs which are identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Foundation for Excellence in Louisiana Public Broadcasting's ability to administer federal award programs in accordance with applicable laws and regulations.

Reportable conditions were noted in the following areas:

FINDING:

As noted in the prior year, during our testing of the Satellite Six and Magneta grants Federal Cash Status report - Form 373 for the period ending June 30, 1995, it was noted that the total expenses for the Magneta grant as reported on Form 373 was \$6,498 more than the general ledger balance as of June 30, 1995. Also, the total expenses for the Satellite Six grant as reported on Form 373 was \$13,479 more than the general ledger balance as of June 30, 1995. These differences were due to the fact that expenditures for the month of April, 1995 were reported on the form for the quarter ending March 31, 1995 and also on the form for the quarter ending June 30, 1995.

RECOMMENDATION:

We understand that the Foundation is currently in the process of modifying their existing software to include an accounts receivable subsidiary ledger that would be capable of tracking all accounts receivable and producing an aged accounts receivable listing. Management could then review this aged listing periodically and attempt to collect all past due accounts. Also, this subsidiary ledger should be reconciled to the general ledger each month.

FINDING:

In the prior year, it was noted that for one of the 28 transactions selected for testing of proper expense classification, one item had been charged to the incorrect object code which resulted in a misclassification of the item.

RECOMMENDATION:

We recommended that greater care be exercised when recording expenses to ensure that they are charged to the proper account. We also recommended that the Business Office Manager review the account coding of expenditures prior to entry in the general ledger.

CORRECTIVE ACTION:

While performing our testing of expense classification in the current year, no such misclassifications were noted.

ALLOCATION OF MANAGEMENT AND ADMINISTRATIVE COST

FINDING:

During the course of our audit work in both the prior year and current year, it was noted that the Foundation is not reimbursing L.E.T.A. for the portion of the salaries of L.E.T.A. employees who are spending part of their time performing managerial and administrative duties on behalf of the Foundation.

Foundation for Excellence in Louisiana Public Broadcasting complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing our audits for the year ended June 30, 1984, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Foundation for Excellence in Louisiana Public Broadcasting's component unit financial statements and on the Foundation for Excellence in Louisiana Public Broadcasting's compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-333. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the component unit financial statements in a separate report dated August 8, 1984.

The management of the Foundation for Excellence in Louisiana Public Broadcasting is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of component unit financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in

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CERTIFIED PUBLIC ACCOUNTANTS
THE NATIONAL BOARD OF EXAMINERS
OF ACCOUNTANTS

August 8, 1986

Board of Directors
Foundation for Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana

We have audited the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, (a component unit of the Louisiana Educational Television Authority) as of and for the year ended June 30, 1986, and have issued our report thereon dated August 8, 1986. We have also audited the Foundation's compliance with requirements applicable to major federal award programs and have issued our report thereon dated August 8, 1986.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement and about whether the

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL SPACES

compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the use of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and various cognizant agencies, and should not be used for any other purposes. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, is a matter of public record.

Respectfully submitted,

Thomas L. Bergquist & Co., L.L.P.

HANNIS T. BOURGEOIS & CO., L.L.P.

MEMBER OF PRICE WATERHOUSE COOPERS
AND LYONS MEMBER OF PWC
MEMBER OF PWC NETWORK
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August 9, 1996

Board of Directors
Foundation for Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana

We have audited the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, (a component unit of the Louisiana Educational Television Authority) for the year ended June 30, 1996, and have issued our report thereon dated August 9, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Foundation for Excellence in Louisiana Public Broadcasting is the responsibility of the Foundation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Foundation's

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF THE COMPONENT UNIT FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

This report is intended solely for the use of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and various component agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, is a matter of public record.

Respectively submitted,

Thomas L. Morgan & Co., L.L.P.

RECOMMENDATION:

We again recommend a report comparing budget to actual amounts be generated on a periodic basis. Periodic amendments of the budget should be made by the Board as deemed necessary.

PRODUCTION REVENUE:

FINDING:

During the course of our current year audit, it was noted that production revenue earned on various underwriting and local production projects was not being properly recognized as revenue in the period earned. Rather, all of the production revenue was recognized when the project was completed.

RECOMMENDATION:

We recommend that the current accounting system be modified so that production revenue be recorded as earned on a percentage of completion basis over the life of the project. This method will result in proper recognition of revenue in the period earned.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe more of the reportable conditions described above is a material weakness.

RECOMMENDATION:

We again recommend that the Foundation establish a formal general ledger system whereby transactions involving revenue and expense accounts as well as all balance sheet accounts be recorded. We also recommended that the audited June 30, 1996 balances be utilized to record the initial balances in the general ledger and all transactions for the year beginning July 1, 1996, be recorded in the general ledger.

ADDITIONAL RECOMMENDATION:

We also recommend that the accounting records be converted to an accrual basis whereby such items as payables and receivables would then be recorded and adjusted as necessary each month. These recommendations have been discussed with your personnel in detail. We will be available to assist your staff in implementing these recommendations. Monthly reconciliations could then be performed agreeing all subsidiary ledgers to the general ledger balances. Also, cash and investment reconciliations could then be balanced to the applicable general ledger account on a monthly basis. With the implementation of this type of system, a more accurate representation of the financial activities of the Foundation would be available to management.

FINDING:

In the current year and in the prior year, it was noted that although an annual budget had been adopted for all revenues and expenses of the Foundation, a comparison of budgeted revenues and expenses to actual revenues and expenses were not being generated and reviewed on a periodic basis.

RECOMMENDATION:

We recommended that the L.E.T.A. employees who are performing managerial and administrative duties of the Foundation periodically keep timesheets so that the percentage of their time spent on performing duties on behalf of the Foundation can be determined and documented.

CORRECTIVE ACTION TAKEN:

Management has informed us that all expenditures are paid by the Foundation on L.E.T.A.'s behalf such as repairs and maintenance, security, custodial services, etc. It is the opinion of management that these expenditures offset any salary reimbursements for L.E.T.A. employees who is performing their L.E.T.A. managerial and administrating duties also benefit the Foundation. Also, the Foundation was established to direct all of its efforts to the sole support of L.E.T.A. L.E.T.A. management further noted that L.E.T.A. employees are precluded from receiving compensation, for state service, from any entity other than L.E.T.A.

GENERAL:

GENERAL LEDGER

FINDING:

During the current year, and in the prior year, it was noted that the general ledger system is being maintained on a "cash basis". Also, due to lack of adequate monthly reconciliation procedures, the initial working trial balance presented to us for the audit could not be adequately reconciled. As a result, a balanced working trial balance had to be recreated by posting the current year's activity in the various cash and investment accounts to the prior year audited balance sheet accounts.

RECOMMENDATION:

In the prior year, we were informed by business office personnel that new procedures were implemented whereby cost center reports would be attached to all future Form 970s that are filed for the applicable grant. By attaching the cost center reports, a comparison of total expenses per the general ledger to total expenses per Form 970 could be made and any differences could be resolved at that time. We recommended and continue to recommend that this new procedure be performed for all grant reports filed with the various funding sources and that the report be verified for inclusion of proper expenses.

CORRECTIVE ACTION TAKEN:

During the current year, it was noted that the duplicate reimbursement described above for the Magnet and Satellite Six Grants were netted against reimbursement requests filed in 1996.

FINDINGS:

During our prior year audit, it was noted that the quarterly Financial Status reports (Form 269A) for the Legal Base Grant were filed late for both the third and fourth quarters of the fiscal year ended June 30, 1996. During the current year audit, it was noted that the Form 269A for the Legal Base Grant was filed late for the 3rd quarter. It was noted, in the prior year, that the quarterly Financial Status report (Form 269A) for the Magnets and Satellite Six grants was filed late for the fourth quarter of the fiscal year ended June 30, 1996.

CORRECTIVE ACTION TAKEN:

In the current year, the Form 269A report selected for testing relating to these two grants appears to have been filed timely.

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August 6, 1996

Board of Directors
Foundation for Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana

We have audited the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, (a component unit of the Louisiana Educational Television Authority) for the year ended June 30, 1996, and have issued our report thereon dated August 8, 1996. These component unit financial statements are the responsibility of the Foundation for Excellence in Louisiana Public Broadcasting's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test

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MEMBER
FEDERAL BOARD OF ACCOUNTANTS

MEMBER
FEDERAL BOARD OF ACCOUNTANTS

August 8, 1990

Board of Directors
Foundation for Excellence in
Louisiana Public Broadcasting
Baton Rouge, Louisiana

We have audited the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, (a component unit of the Louisiana Educational Television Authority) as of and for the year ended June 30, 1990, and have issued our report thereon dated August 8, 1990.

In connection with our audit of the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting and with our consideration of the Foundation for Excellence in Louisiana Public Broadcasting's internal control structure used to administer federal award programs, as required by the Office of Management and Budget circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions", we selected certain transactions applicable to certain nonmajor federal award programs for the year ended June 30, 1990. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort and/or earmarking requirements applicable to those

<u>DEFERRED</u> <u>REVENUE AT</u> <u>JUNE 30, 1995</u>	<u>GRANT RECEIPTS</u> <u>OR REVENUES</u> <u>RECOGNIZED</u>	<u>DISBURSEMENTS/</u> <u>EXPENDITURES</u>	<u>DEFERRED</u> <u>REVENUE AT</u> <u>JUNE 30, 1996</u>
\$ -	\$ 48,414	\$ 48,414	\$ -
-	104,843	104,843	-
-	98,879	98,879	-
-	4,013	4,013	-
-	24,514	24,514	-
<u>-</u>	<u>69,885</u>	<u>69,885</u>	<u>-</u>
\$ -	\$341,840	\$341,840	\$ -
<u>0 -</u>	<u>\$ 20,333</u>	<u>\$ 20,333</u>	<u>0 -</u>
\$ -	\$ 20,333	\$ 20,333	\$ -
<u>0 -</u>	<u>\$ 66,333</u>	<u>\$ 66,333</u>	<u>0 -</u>
\$ -	\$ 66,333	\$ 66,333	\$ -
<u>0 -</u>	<u>\$ 9,130</u>	<u>\$ 9,130</u>	<u>0 -</u>
\$ -	\$ 9,130	\$ 9,130	\$ -

Foundation for Excellence in Louisiana Public Broadcasting

SCHEDULE OF FEDERAL AID

For the Year Ended June 30, 1996

<u>FEDERAL DONOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AMOUNT OR PERCENT</u>
<u>U.S. Department of Education</u>		
Project Magnets	84.983	\$123,750
Satellite via Program	*84.311	384,000
Adult Education Step Program	*84.002	142,800
Governor's Drug Free Program	84.160A	25,000
Governor's Drug Free Program	84.160A	25,000
Passed Through Louisiana Educational Television Authority: Adult Education Step Program	*84.802	\$134,988
Total U.S. Department of Education		
<u>U.S. Department of Commerce</u>		
Global Public Telecommunications Network Program	13.593	\$ 50,000
Total U.S. Department of Commerce		
<u>U.S. Department of Justice</u>		
Project Legal Base	14.341	\$ 77,318
Total U.S. Department of Justice		
<u>U.S. Department of Agriculture</u>		
Passed Through Louisiana Department of Agriculture and Forestry:		
Cooperative Forestry Assistance	16.444	\$129,000
Total U.S. Department of Agriculture		

(CONTINUED)

SCHEDULE OF FEDERAL AWARDS

basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the component unit financial statements of the Foundation for Excellence in Louisiana Public Broadcasting taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the component unit financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

Respectfully submitted,

Thomas L. Bourgeois & Co., L.L.P.

Foundation for Excellence in Louisiana Public Broadcasting

SCHEDULE OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 1994

<u>FEDERAL GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>
<u>National Urban League</u>		
Passed Through Louisiana Educational Television Authority: Rate for Calculating Charge	-	\$ 2,800
Total National Urban League		
<u>National Endowment for the Arts</u>		
Passed Through State of Louisiana Endowment for the Humanities: Passed Through Louisiana Educational Television Authority: Home Guest Home	45.529	\$ 10,000
Total National Endowment for the Arts		
Total Federal Assistance		

*Indicates major federal award program.

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE
OF FEDERAL AWARDS

transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Foundation's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Foundation had not complied, in all material respects, with these requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with these requirements, which is described in the accompanying Schedule of Finding and Questioned Cost.

This report is intended solely for the use of management, the Senate Bureau, and the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and various component agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Foundation for Excellence in Louisiana Public Broadcasting, Baton Rouge, Louisiana, is a matter of public record.

Respectfully submitted,

Warren L. Cummings & Co., L.L.P.