

CORRECTIVE ACTION TAKEN:

In the current year, it was noted that lease payments were made timely and no late charges were incurred.

FINDING:

In performing our search for unrecorded liabilities during the prior year we noted that approximately \$75,000 of accounts payable existed and were unrecorded at year end. These amounts were recorded as an expenditure against 1997 State appropriations.

RECOMMENDATION:

We recommended that in the future, especially at year end, that expenses be more closely monitored and recorded as an expenditure of the proper year. This will enable management to better monitor expenses and make decisions based upon more accurate numbers.

CORRECTIVE ACTION TAKEN:

During the current year, it was noted that a proper cutoff of expenditures at year end was achieved.

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 Louisiana Educational Television Authority, Baton Rouge, Louisiana, is a matter of public record.

Respectfully submitted,

Thomas L. Boudreau & Co., L.L.P.

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

Certified Public Accountants

1000 E. Maple Avenue, Suite 201
Baton Rouge, Louisiana 70801
(504) 382-8287

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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September 11, 1997

Members of the Louisiana Educational
Television Authority
State of Louisiana
Baton Rouge, Louisiana

In planning and performing our audit of the component unit financial statements of the Louisiana Educational Television Authority (a component unit of State of Louisiana) for the year ended June 30, 1997, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, in the prior year we noted certain matters involving the internal control and its operation that we considered 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 that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

FINDING:

During the prior year, we noted that L.E.T.A. paid \$7,212 in late charges on the AT&T capital lease for the satellite transponder.

Upon further review by management, we were informed that due to the conversion of the State's accounting system there was a delay, beyond the control of L.E.T.A., in paying the July, 1996 payment resulting in a late charge of \$3,800. Management also informed us that an additional late charge of \$3,600 was paid for the March, 1996 payment. This late charge was assessed in error by AT&T and should not have been paid by L.E.T.A. Management was in the process of negotiating a refund of this amount paid in error.

RECOMMENDATION:

We recommended that in the future, L.E.T.A. implement procedures to ensure that all lease payments are made timely in order to avoid these late charges.

LOUISIANA EDUCATIONAL TELEVISION AUTHORITY

MANAGEMENT LETTER

JUNE 18, 1993

Louisiana Educational Television Authority
(A Public Telecommunications Entity
Operated by the State of Louisiana)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

for the year ended June 30, 1997

As required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the following is a summary of the results of our audit:

- * Type of report issued on financial statements - unqualified.
- * Type of report issued on compliance for major program - unqualified.
- * The results of audit procedures disclosed no material noncompliance in major programs.
- * The results of audit procedures disclosed no questioned costs.
- * Our audit disclosed no findings which are required to be reported under Section 510(c)(1).
- * The following program was determined to be a major program:

CFDA NUMBER

U.S. Department of Commerce Public Telecommunications Facilities Program	11.950
-----------------------------------------------------------------------------	--------

- * The dollar threshold used to distinguish between Type A and Type B programs was \$300,000 as specified under Section 520(b)(1).
- * The Authority qualified as a low risk auditee under Section 539.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1997.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and various recipient 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 Louisiana Educational Television Authority, Baton Rouge, Louisiana, becomes a matter of public record.

Respectfully submitted,

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the Authority's management in a separate letter dated September 12, 1997.

This report is intended solely for the information 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 Louisiana Educational Television Authority, Baton Rouge, Louisiana, becomes a matter of public record.

Respectfully submitted,

Blavin L. Bergeron & Co., L.L.P.

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

Certified Public Accountants

1111 N. Range Avenue, Suite 101
Baton Rouge, Louisiana 70705
(504) 385-8200

MEMBER OF
THE NETWORK FIRM OF
DELOITTE TOUSCHMUTZ & CO.
1100 P. O. BOX 24899
NEW ORLEANS, LOUISIANA 70124

HANNIS T. BOURGEOIS, CPA
JAMES T. BOURGEOIS, III, CPA
DANIEL L. BOURGEOIS, CPA
JENNIFER L. BOURGEOIS, CPA
MICHAEL J. BOURGEOIS, CPA
KYLE A. BOURGEOIS, CPA
KYLE A. BOURGEOIS, CPA
KYLE A. BOURGEOIS, CPA
KYLE A. BOURGEOIS, CPA

MEMBER OF THE
INSTITUTE OF CPAS

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September 11, 1997

Members of the Louisiana Educational
Television Authority
State of Louisiana
Baton Rouge, Louisiana

We have audited the component unit financial statements of the Louisiana Educational Television Authority, Baton Rouge, Louisiana (a component unit of the State of Louisiana) as of and for the year ended June 30, 1997, and have issued our report thereon dated September 11, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Authority's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN ASSET OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

DEFERRED
REVENUE AT
JUNE 30, 1986

GRANT RECEIPTS
OR REVENUES
ACCUMULATED

DISBURSEMENTS/
EXPENDITURES

DEFERRED
REVENUE AT
JUNE 30, 1987

\$ -	\$109,197	\$109,197	\$ -
<u>-</u>	<u>89,400</u>	<u>89,400</u>	<u>-</u>
-	197,597	197,597	-
<u>1,983</u>	<u>-</u>	<u>-</u>	<u>1,983</u>
1,983	-	-	1,983
<u>-</u>	<u>442,028</u>	<u>408,240</u>	<u>33,600</u>
-	<u>442,028</u>	<u>408,240</u>	<u>33,600</u>
<u>1,983</u>	<u>\$439,597</u>	<u>\$405,937</u>	<u>\$ 35,547</u>

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 1977

<u>FEDERAL GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>
<u>U.S. Department of Education</u>		
Passed thru State of Louisiana Department of Education		
Special Education - I.D.E.A. - Part B Section 619 Preschool Grant	84.173	\$109,197
Special Education - I.D.E.A. - Part B Section 619 Preschool Grant	84.173	\$ 88,400
Total U.S. Department of Education		
<u>National Urban League</u>		
Rate for Calculating Change	* -	\$ 2,000
Total National Urban League		
<u>U.S. Department of Commerce</u>		
Public Telecommunications Facilities Program	**11.950	\$912,294
Total U.S. Department of Commerce		
Total Federal Assistance		

* This grant was recorded on the books of the Foundation for Excellence in Louisiana Public Broadcasting, Inc. since they provided the matching funds of the grant, if applicable, and were responsible for administering the grants. In accordance with the provisions of the grants, a single audit was performed on the Foundation for Excellence in Louisiana Public Broadcasting, Inc. in accordance with the provisions of the Office of Management and Budget Circular A-133, and therefore, no revenues or expenditures were recorded in the financial statements of the Louisiana Educational Television Authority relating to this grant.

** Denotes major program.

Louisiana Educational Television Authority
(A Public Telecommunications Entity
Operated by the State of Louisiana)

SCHEDULE OF INTERAGENCY REVENUE

For the Year Ended June 30, 1997

<u>PROGRAM</u>	
Links	\$ 54,648
Civil Service	27,819
Technical College	281,047
Child Care	<u>1,532</u>
Total Interagency Revenue	<u>\$365,046</u>

SUPPLEMENTARY INFORMATION

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

NOTES TO FINANCIAL STATEMENTS - (Continued)

June 30, 1997

Note 12 - Change in Accounting Principle by Discretely Presented Component Unit -

The Foundation was required to adopt Statement of Financial Accounting Standards (SFAS) No. 124 "Accounting for Certain Investments Held by Not-For-Profit Organizations", in 1997. Under SFAS No. 124, the Foundation is required to report equity securities that have readily determinable fair values and all debt securities at fair value. As permitted by SFAS No. 124, the Foundation has retroactively applied the provisions of this new statement by restating net assets as of June 30, 1996. An adjustment of \$45,960 made to net assets as of June 30, 1996 represents the difference between the excess of carrying value over market value of the investments held by the Foundation at that date. The effect of SFAS No. 124 on the Foundation's change in net assets for June 30, 1997 was an increase of \$178,257. That effect is included in changes in unrestricted net assets because the gains and losses are unrestricted.

The following is a detail of net assets:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Beginning of Year - July 1, 1996, as Previously Reported	\$5,008,375	\$2,845,386	\$7,853,761
Decrease in Net Assets - July 1, 1996, Due to Adoption of SFAS No. 124	<u>(45,960)</u>	<u>-</u>	<u>(45,960)</u>
Beginning of Year - July 1, 1996 as Restated	4,962,415	2,845,386	7,807,801
Increase (Decrease) in Net Assets - June 30, 1997	<u>1,654,825</u>	<u>(453,018)</u>	<u>643,016</u>
End of Year - June 30, 1997	<u>\$6,617,240</u>	<u>\$2,392,368</u>	<u>\$9,009,608</u>

Note 13 - Designation of Fund Balance -

During the current year, Louisiana Educational Television Authority's Board Members designated \$1,000,000 of the Authority's fund balance to fund future anticipated technological advances in converting to digital television and expenses relating to maintenance and replacement of the satellite. These funds have accumulated from satellite rental revenue earned in the current and prior years.

Louisiana Educational Television Authority
A Public Telecommunications Entity
Operated by the State of Louisiana

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1987

retirees' and active employees' benefits regardless of whether benefits are provided by Group Benefits or one of the ERG's authorized by Group Benefits. The Authority recognizes the cost of providing benefits as an expenditure when paid during the year. For the year ended June 30, 1987, the costs of retirees' benefits totaled \$18,973, while the number of retirees is 14. The cost of retirees' benefits is net of participant's contribution.

**Note 11 - Related Party Transactions/Restricted Net Assets -
Friends of Louisiana Public Broadcasting -**

The Louisiana Educational Television Authority d/b/a Louisiana Public Broadcasting (LFB) and Friends of Louisiana Public Broadcasting entered into a mutual agreement dated December 6, 1984. Under the terms of this agreement, cash and investments with a market value of \$1,867,708 were transferred upon execution of the agreement from Friends of Louisiana Public Broadcasting to an outside third party, the Baton Rouge Area Foundation, who established a fund in the name of LFB in the nature of an endowment, to provide current income and long term protection for the operations of LFB. For the terms of the agreement LFB may designate who the funds are distributed to and therefore designated the Foundation to receive these funds.

Furthermore, a separate agreement dated August 9, 1984, 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, 1987, \$872,928 was transferred to the Foundation (which includes a receivable of \$332,082 under the terms of this agreement).

At June 30, 1987, \$1,564,267 of temporarily restricted net assets are available for the purposes specified in these two agreements specified in the preceding paragraphs.

Louisiana Educational Television Authority
A Public Telecommunications Entity
Operated by the State of Louisiana

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

The Authority's statutory and actual contribution for the year ended June 30, 1997, was \$933,319, of which \$189,278 was contributed by employees and \$744,041 was contributed by the Authority. The actuarially required contribution for that year, using the System's actuarial funding method (projected unit credit) and based on covered payroll, was \$933,319, of which (assuming the same statutory contribution ratio) \$189,278 is associated with employees and \$744,041 with the Authority; these actuarially determined contributions represent 7.5 percent for employees and 12.4 percent of the Authority's covered payroll.

Selected trend information of TARES is as follows:

<u>FISCAL YEAR ENDING</u>	<u>ANNUAL PENSION COST (APC)</u>	<u>PERCENTAGE OF APC CONTRIBUTED</u>	<u>NET PENSION OBLIGATION</u>
6/30/94	\$191,589,177	97.8%	\$12,254,901
6/30/95	198,324,489	102.7	(8,123,103)
6/30/96	204,878,066	97.8	(4,836,582)

A complete copy of the June 30, 1996 audited financial statements and actuary valuation report of the Louisiana State Employees Retirement System can be obtained at the following address:

L.S.E.R.S.
P.O. Box 44213
Baton Rouge, Louisiana 70899

Note 18 - Post Retirement Health Care and Life Insurance Benefits -

LSU 42:821 through 42:888 establishes the self-insured and self-funded state employees group health care and life insurance program and authorizes the Authority to provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Authority's employees become eligible for these benefits if they reach normal retirement age while working for the Authority. Monthly premiums are paid jointly by the employees and the employer (from the Authority's appropriation) for both

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

Termination, Disability
and Retirement

Termination, disability, and retirement assumptions were projected based on a five year (1981-1985) experience study of the System's members.*

Salary Increases

Salary increases which range between 4.25% and 11.75% were projected based on a five year (1981-1985) experience study of the System's members.

*Includes inflation at 3.00%.

Each employer is required to contribute a percentage of each employee's earned compensation to finance participation of its employees in LASERS. The employer's contribution rate is established under Louisiana Revised Statutes 11:101-11:104 and annually by the Actuarial Forecasting Committee and was 12.0% of earned compensation as of June 30, 1996. Effective July 1, 1996, the rate was increased to 12.4%.

The State's pension cost and net pension obligation to LASERS for the year ended June 30, 1996 is as follows:

Annual Required Contribution	\$ 312,881,132
Interest on Net Pension Obligation	(649,331)
Adjustment to Annual Required Contribution	<u>3,241,352</u>
Annual Pension Cost	314,573,153
Contributions Made	<u>(210,698,812)</u>
Increase (Decrease) in Net Pension Obligation	4,076,521
Net Pension Obligation Beginning of Year	<u>(8,113,109)</u>
Net Pension Obligation End of Year	<u>\$ 14,036,582</u>

Louisiana Educational Television Authority
(A Public Telecommunications Entity
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1987

Governing Authority	Title II Chapter 401 of the Louisiana Revised Statutes
Determination of Contribution Requirements	Necessarily determined
Employer	12.5% of Earned Compensation
Plan Members	7.5% of Earned Compensation
Funding of Administrative Costs	Investment Earnings
Period Required to Vest	10 Years
Eligibility for Distribution	At retirement age, employees are entitled to annual benefits equal to \$200 plus 1.5 percent of their highest consecutive 36 months average salary multiplied by their years of credited service. Vested employees may retire at a) any age with 30 years of service, b) age 55 with 25 years of service, or c) age 60 with 10 years of service.
Provision for:	
Disability Benefits	Yes
Death Benefits	Yes

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
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NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

Note 8 - Summary of Changes in Long-Term Debt -

Long-term liabilities that will be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

The following is a summary of the changes to General Long-Term Obligations for the year ended June 30, 1997:

	BALANCE AT JULY 1 1996		ADDITIONS	REDUCTIONS	BALANCE AT JUNE 30, 1997	
Compensated Absences Payable - Note 1	\$	335,325	\$	40,315	\$	375,440
Obligations Under Capital Lease - Note 4	\$	1,155,887		559,951	\$	1,715,838
	\$	491,212	\$	40,315	\$	531,527

Note 9 - Retirement System -

Substantially all Authority employees are members of the Louisiana State Employees Retirement System ("LASERS"), a multiple-employer, (cost-sharing), public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees, which is administered and controlled by a separate board of trustees. Contributions of participating state agencies are pooled with the System to fund accrued benefits with contribution rates approved by the Louisiana Legislature. Unless otherwise indicated, LASERS information in this note is provided as of the latest advanced valuation available, June 30, 1996.

The following is a summary of eligibility factors, contribution methods and benefit provisions:

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

Note 4 - Due from Foundation for Excellence in L.P.B. -

During the current and prior years, monies were received from various universities who are leasing unused transponder space on the satellite owned by Louisiana Educational Television Authority and deposited into the Foundation for Excellence in Louisiana Public Broadcasting. This amount is included in the due from Foundation for Excellence in Louisiana Public Broadcasting amount as presented in these financial statements. At June 30, 1997, the amount owed by the Foundation for these rentals is \$1,650,397 which includes \$126,010 of interest earnings.

Note 7 - Changes in General Fixed Assets -

A summary of changes in general fixed assets, both movable and immovable, for which the primary government was responsible for the year ended June 30, 1997 is presented below:

	<u>LAND, BUILDINGS, AND IMPROVEMENTS</u>	<u>FURNITURE AND EQUIPMENT</u>	<u>TOTAL</u>
Balance - June 30, 1996	\$11,511,264	\$15,227,743	\$26,739,007
Additions/Donations	400,340	5,243,451	5,643,791
Deletions	-	<u>(5,228,340)</u>	<u>(5,228,340)</u>
Balance - June 30, 1997	<u>\$11,911,604</u>	<u>\$15,252,855</u>	<u>\$27,164,459</u>

A summary of changes in general fixed assets of the component unit is as follows:

	<u>FURNITURE AND EQUIPMENT</u>
Balance - June 30, 1996	\$ 35,807
Additions	-
Deletions	-
Balance - June 30, 1997	35,807
Less: Accumulated Depreciation	<u>(20,344)</u>
Net Balance - June 30, 1997	<u>\$ 15,463</u>

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
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NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

The following is a schedule of the future minimum lease payments under capital lease and the present value of the net minimum lease payments at June 30, 1997 of the outstanding lease:

YEAR	PRESENT VALUE OF MINIMUM LEASE PAYMENTS	INTEREST	TOTAL MINIMUM LEASE PAYMENTS
1998	\$ 584,438	\$ 371,139	\$ 955,589
1999	431,038	334,539	865,589
2000	449,884	325,885	865,589
2001	711,139	354,880	865,589
2002	384,916	310,654	865,589
Thereafter	<u>1,414,658</u>	<u>80,980</u>	<u>1,514,738</u>
	<u>\$4,396,044</u>	<u>\$1,846,537</u>	<u>\$5,842,583</u>

Note 5 - Schedule of Board Members, Committee Meetings Attended, and Per Diem Paid -

<u>BOARD MEMBER</u>	<u>BOARD AND COMMITTEE MEETINGS ATTENDED</u>	<u>PER DIEM PAID</u>
Dr. William Arctheson	9	\$ -
James Bantson	4	-
Wayne Barry	9	-
Lucille Blum	4	-
Carl Crowe	8	-
Bob Davidge	3	-
Mary Eaton	8	-
Frank Franco	4	-
Felicia L. Harry	1	-
Ricki Krutzer	3	-
John Latorde	5	-
Virginia Lawson	6	-
Jim Nickel	8	-
Cecil Pigeard	3	-
W. Clinton Raspberry	1	-
Jennifer Redilly	1	-
Dr. Frans Robinson	1	-
Veronica Rodriguez	1	-
Joe Twaigle	6	-
Joseph Vacholj	8	-
Claude Villacome	3	-
Dr. Donald Webb	1	-
		<u>\$ -</u>

Louisiana Educational Television Authority
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NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

In the current year, the Authority entered into a lease agreement with M.O.E. Corporation, L.L.C. for rental of space on a tower to be constructed on the KMOE-TV tower site in Monroe, Louisiana. The lease will commence on or before January 1, 1998 for a period of 25 years from the date of occupancy and requires a \$150,000 payment in fiscal year ended June 30, 1997 and a \$550,000 payment in fiscal year ended June 30, 1998. During the fiscal year ended June 30, 1997, the Authority paid \$600,000 from state general fund appropriations as required by the agreement. The additional \$550,000 will be paid next year from an anticipated grant to be received from the U.S. Department of Commerce through a Public Telecommunications Facilities Program. Total operating rental and lease expenditures for the year ended June 30, 1997, amounted to \$618,374.

Commitments under operating lease agreements provide for annual rental payments as follows:

<u>YEAR</u>	<u>LEASE FACILITY</u>	<u>AMOUNT</u>
1998	Tower Sites	\$614,300
1999	Tower Sites	64,300
2000	Tower Sites	30,000
2001	Tower Sites	15,000
2002	Tower Sites	15,000
Thereafter	Tower Sites	145,000
		<u>\$886,900</u>

In addition to the above mentioned operating lease agreements, on March 14, 1994 the Authority entered into a separate lease agreement for financing the acquisition of a Telesat Satellite. On January 15, 1997, the previously mentioned satellite experienced a total failure. The Authority was provided limited service for the period from that date until a new satellite could be placed in service in July 1997. An amended lease agreement was then signed which did not change the outstanding balance or monthly payments of the existing lease. However, the amended agreement does provide the Authority the right to receive a warranty reimbursement of \$43,000 per month for the interim period the Authority was out of full service contingent upon the Authority canceling the lease agreement one month in advance of the end of the agreement in the year 2004. This lease qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception in the General Long-Term Debt Account Group. Per the terms of the agreement, the lease is contingent upon the State Legislature continuing to fund appropriations in order for the Authority to meet the lease obligations.

Louisiana Educational Television Authority
A Public Telecommunications Entity
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NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

Included in the caption "Net Realized and Unrealized Gains (Losses)" on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Government Fund Types and Discretely Presented Component Unit are as follows: Realized Gains of \$28,991, realized losses of \$9,422 and the net change in unrealized gains (losses) at June 30, 1997 as compared to June 30, 1996 of \$234,219 (which include the restatement of net assets as of June 30, 1996 of \$45,988 as more fully discussed in Note 12).

The Foundation's investments at June 30, 1997 are categorized in three levels of credit risk. Category 1 includes bank balances which are insured or collateralized with securities held by the Foundation or its agent in the Foundation's name. Category 2 includes bank balances which are collateralized with securities held by the pledging financial institution's trust department or agent in the Foundation's name. Category 3 includes bank balances which are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Foundation's name.

At June 30, 1997, investments with a market value of \$3,071,806 and a cost of \$1,922,534 are Category 2 and investments with a market value of \$3,049,888 and a cost of \$3,075,948 are Category 3. In addition, at June 30, 1997 Mutual Funds with a market value of \$2,147,828 and a cost of \$1,987,861 are not categorized in accordance with the GAOB Codification because they are not evidenced by securities that exist in physical or book entry form.

There were no marketable securities held by the primary government at June 30, 1997.

Note 4 - Lease and Rental Commitments -

The Authority's operating rental commitments consist of various tower sites. These operating lease agreements have nonappropriation excipitatory clauses that allow cancellation if the Legislature does not make an appropriation for its continuation during any future fiscal period.

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

NOTE TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1987

	PRIMARY GOVERNMENT	COMPONENT UNIT	REPORTING ENTITY
Cash in State Treasury	\$1,601,908	\$ -	\$1,601,908
Cash and Cash Equivalents	-	211,970	211,970
Resty Cash Imprest Fund	3,500	-	3,500
Total Cash and Cash Equivalents	\$1,605,408	\$ 211,970	\$1,817,378

Note 3 - Marketable Securities and Investments -

The Foundation's Investments at June 30, 1987 are recorded at market value as follows:

	MARKET VALUE		UNREALIZED GAIN LOSS	
	COST	VALUE	GAIN	LOSS
U.S. Treasury Securities	\$1,688,826	\$5,721,620	\$ 10,494	\$ -
U.S. Government Agency Securities	3,378,236	3,267,369	-	10,867
U.S. Government Bond Funds	560,880	565,497	-	11,503
Preferred Stocks	550,840	560,806	9,966	-
Mutual Fund-Equity Securities	2,387,881	2,147,828	128,987	-
	\$8,084,763	\$8,263,020	\$128,427	\$ 14,370

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

	MARKET VALUE	
	COST	VALUE
Within One Year	\$1,783,794	\$1,817,645
One Year Through Five Years	1,319,244	1,317,259
Five Years Through Ten Years	1,488,004	1,428,480
	5,547,062	5,555,384
Preferred Stocks	550,840	560,806
Mutual Funds - Equity Securities	1,387,881	1,147,828
	\$8,084,763	\$8,263,020

Louisiana Educational Television Authority
(A Public Telecommunications Entity)
Operated by the State of Louisiana

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

N. Total Columns on Combined Statements - Overview

The total memorandum only columns on the financial statements are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

O. Income Taxes

The Foundation for Excellence in Louisiana Public Broadcasting 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 their financial statements.

P. Statement of Cash Flows

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

Note 2 - Cash and Cash Equivalents -

All cash and cash equivalents of the Authority are deposited in the State Treasury with the exception of a permanent travel and petty cash imprest checking account. At year-end the carrying amount of the Authority's deposits was \$8,160 and the bank balance was \$8,168. The bank balance was covered by federal deposit insurance.

Cash balances of the discretely presented component unit confirmed by the banks totaling \$281,657 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, are 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 \$22,828 and other money market funds with balances totaling \$176,834 which are not categorized as to investment risk.

A reconciliation of cash and cash equivalents as shown on the Combined Balance Sheet as of June 30, 1997 is as follows:

Louisiana Educational Television Authority
CA Public Telecommunications Entity
Operated by the State of Louisiana

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

J. Costs Incurred for Programs Not Yet Broadcast

Costs incurred for programs not yet broadcast relate to programs acquired by the Foundation for Excellence in Louisiana Public Broadcasting with broadcast dates subsequent to June 30, 1997. Grants, contributions and underwriting related 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.

K. Contributed Services/In-kind Contributions

In-kind contributions are recorded as revenue and expenditures in the Authority's financial statements. In-kind contributions consist of donated facilities, administrative support, and programming. These donations are recorded at fair value.

During the year ended June 30, 1997, the value of contributed services meeting the requirements for recognition by the Foundation was not material and has not been recorded.

L. 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 these estimates.

M. Accrued Vacation and Sick Leave

State employees, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years in service. There is no limit on the amount of annual or sick leave that can be accumulated. The Authority is legally liable to compensate an employee upon retirement or termination for up to 360 hours of unused annual leave. Therefore, annual leave up to 360 hours per employee is accrued in the general long-term debt account group included in these financial statements. Upon retirement, the number of hours of unused annual leave in excess of 360 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 service earned by the retiree. The unused annual and sick leave is counted towards the number of years service only for computing the rate of retirement pay due the retiree and does not count toward the number of years necessary for retirement.

Louisiana Educational Television Authority
A Public Telecommunications Entity
Operated by the State of Louisiana

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

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.

C. Petty Cash Imprest Fund

The Authority maintains a permanent travel and petty cash imprest 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.

E. Fixed Assets

Fixed assets acquired by the Authority are not included in the accompanying financial statements, but are reported in the State of Louisiana's comprehensive annual financial report. The Authority acts only as a custodian of these assets and title actually rests with the State of Louisiana. A summary of changes in general fixed assets for which the Authority was responsible for the year ended June 30, 1997 is presented in Note 7.

Fixed assets of the Foundation for Excellence in Louisiana Public Broadcasting are recorded at cost, less accumulated depreciation, and are depreciated using the straight-line method over the useful lives of the assets, which range from two to five years. Expenditures for repairs and maintenance are charged to operating expense as incurred.

I. Marketable Securities and Investments

In accordance with Statement of Financial Accounting Standards (SFAS) No. 124, Accounting for Certain Investments Held By Not-for-Profit Organizations, investments in all debt and equity securities with readily determinable fair value are reported at their fair value. All other investments are reported at historical cost if purchased, or, if contributed, at fair value at the date of contribution.

Louisiana Educational Television Authority
(A Public Telecommunications Entity)
Operated by the State of Louisiana

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

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.

The financial statements of the Foundation for Excellence in Louisiana Public Broadcasting have been prepared on the accrual basis in which revenue is recognized when earned and expenses are recognized when incurred.

Contributions received by the Foundation 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. Budgets and Budgetary Accounting

The budgetary process incorporates a yearly appropriation process which is valid for a period of one year. Title 49:224 provides for an extension period of 45 days in order to liquidate encumbrances established prior to June 30. The Authority is prohibited by Statute to ever expend the legally adopted budget by category. 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, in kind contributions which the Authority does not budget for, and for other miscellaneous adjustments which were in the original budget but not recorded in the financial statements.

Louisiana Educational Television Authority
(A Public Telecommunications Entity
Operated by the State of Louisiana)

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1997

D. Long-Term Liabilities

The accounting and reporting treatment applied to long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their Balance Sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account group, not in the governmental funds. This account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The general fund is maintained and reported in the accompanying financial statements on the modified accrual basis of accounting with the exception of appropriated State General Fund receipts being recognized when drawn or encumbered.

The capital projects fund is maintained and reported in the accompanying financial statements on a modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., 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

Louisiana Educational Television Authority
(A Public Telecommunications Entity
operated by the State of Louisiana)

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

June 30, 1987

3. Organizations for which the reporting entity's 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 previous criteria, the Authority's management has included the following discretely presented component unit in the financial reporting entity:

The Foundation for Excellence in Louisiana Public Broadcasting "the Foundation" is a nonprofit Louisiana Corporation that was organized to direct all of its efforts to the support of the Authority. Furthermore, the Foundation operates under the authority of its board of Directors, who are appointed by the Authority. The Foundation has a June 30, 1987 fiscal year end.

C. Fund Accounting/Basis of Presentation

The financial activities of the Authority, while not legally or practically an established fund account, are organized and operated on a fund basis whereby separate self-balancing sets of accounts are maintained to account for authorized and appropriate specific activities. The funds presented in the financial statements are described as follows:

The general fund is the general operating fund of the Authority. It is used to account for the Legislative appropriation provided to fund the general administrative expenses of the Authority 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, Federal grants and State general obligation bond revenues for the construction of transmitter and tower facilities at the stations comprising the Authority's network.

Financial statement presentation of the Foundation follows the recommendations of the Financial Accounting Standards Board in its 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 as applicable. As of June 30, 1987, there were no permanently restricted net assets.

Louisiana Educational Television Authority
A Public Telecommunications Entity
Operated by the State of Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1993

Note 1 - Summary of Significant Accounting Policies -

A. Organization

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

B. Financial Reporting Entity

This component unit financial reporting entity consists of (1) the primary government, (Louisiana Educational Television Authority), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Authority to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority.
2. Organizations for which the Authority does not appoint a voting majority but are fiscally dependent on the Authority.

BUDGET	VARIANCE- FAVORABLE (UNFAVORABLE)
\$4,308,710	\$ -
579,889	1244,4531
598,000	1258,0501
-	-
103,587	-
-	14,400
<u>7,784,096</u>	<u>1488,1031</u>
3,884,421	(25,303)
1,728,043	78,378
17,788	-
2,083,047	487,863
138,079	-
15,514	-
558,951	-
<u>385,617</u>	<u>-</u>
<u>7,784,096</u>	<u>532,638</u>
-	44,533
<u>-</u>	<u>(41,162)</u>
<u>\$ -</u>	<u>\$ (18,532)</u>

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (CAP BASIS) AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 1987

	ACTUAL	SCHEDULED ITEMS AND ADJUSTMENTS	BUDGETARY BASIS
Revenues:			
State General Fund	\$6,386,710	\$ -	\$6,386,710
State General Fund by Interagency Transfers	335,246	-	335,246
State General Fund by Self-Generated Revenues	58,715	313,235	331,950
Donated Facilities, Administrative Support, and Programming	83,470	(53,470)	-
Federal Grants	197,997	-	197,997
Other	91,480	177,000	14,480
Rental Income	<u>430,568</u>	<u>1430,240</u>	<u>14,480</u>
Total Revenues	7,513,986	1249,565	7,365,983
Expenditures:			
Personal Services	2,989,724	-	2,989,724
Operating Services	1,833,834	1375,389	1,658,445
Professional Services	33,520	115,820	17,780
Other Charges	1,263,554	331,850	1,595,404
Capital Outlays	188,049	(350)	188,699
Interagency Transfers	28,814	-	28,814
Debt Service:			
Principal Retirement	888,991	-	888,991
Interest	<u>325,617</u>	<u>-</u>	<u>325,617</u>
Total Expenditures	7,086,777	140,591	7,321,368
Excess (Deficiency) of Revenues Over Expenditures	427,209	(100,674)	44,615
Fund Balance (Deficit) - Beginning of Year	<u>1,097,892</u>	<u>(1,261,919)</u>	<u>(164,027)</u>
Fund Balance (Deficit) - End of Year	\$ 1,531,061	\$(1,549,693)	\$ (18,632)

The accompanying notes are an integral part of this statement.

Louisiana Educational Television Authority
 (A Public Telecommunications Entity)
 Operated by the State of Louisiana

STATEMENT OF CASH FLOWS -
DESCRIBEDLY PRESENTED COMPONENT UNIT

For the Year Ended June 30, 1997

Cash Flows From Operating Activities:	
Increase in Net Assets	\$ 643,018
Adjustments to Reconcile Excess Revenue and Other Support Over Expenses to Cash Provided by Operating Activities:	
Depreciation	6,782
Unrealized (Gain) Loss on Marketable Securities	(270,176)
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts/Grants Receivable	175,660
(Increase) Decrease in Due from Friends of L.E.T.V.	162,348
(Increase) Decrease in Accrued Interest Receivable	29,653
(Increase) Decrease in Cost of Programs Not Yet Broadcast	22,128
(Increase) Decrease in Prepaid Expenses	(36,036)
Increase (Decrease) in Accounts Payable	(70,516)
Increase (Decrease) in Due to Louisiana Educational Television Authority	928,488
Increase (Decrease) in Deferred Support and Revenues	<u>3,888</u>
Net Cash Provided by Operating Activities	1,028,769
Cash Flows From Investing Activities:	
Purchases of Investments	(5,097,135)
Proceeds from Maturity of Investments	<u>2,546,769</u>
Net Cash Used in Investing Activities	<u>(2,550,366)</u>
Net Decrease in Cash and Cash Equivalents	(1,521,617)
Cash and Cash Equivalents - Beginning of Year	<u>1,787,982</u>
Cash and Cash Equivalents - End of Year	<u>\$ 266,365</u>

The accompanying notes are an integral part of this statement.

<u>COMPONENT UNIT</u> FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	<u>TOTAL</u> <u>REPORTING</u> <u>ENTITY</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
643,016	643,016
	740,936
1,006,121	2,310,710
<u>87,649,137</u>	<u>49,754,663</u>

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND DISCREETELY PRESENTED COMPONENT UNIT - (CONTINUED)

For the Year Ended June 30, 1997

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT INSTRUMENTUM ONLY</u>
	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	
Increase (Decrease) in Net Assets	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	433,209	307,726	740,935
Fund Balances/Net Assets - Beginning of Year, as Restated	1,887,852	166,737	2,054,589
Fund Balances/Net Assets - End of Year	<u>\$1,921,061</u>	<u>\$ 474,463</u>	<u>\$2,395,524</u>

The accompanying notes are an integral part of this statement.

<u>COMPONENT UNIT</u> <u>FOUNDATION</u> <u>FOR EXCELLENCE</u> <u>IN LOUISIANA</u> <u>PUBLIC BROADCASTING</u>	<u>TOTAL</u> <u>REPORTING</u> <u>ENTITY</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
\$ -	\$ 6,855,857
-	335,246
-	18,715
-	53,470
388,188	794,105
218,783	238,783
892,802	892,802
872,928	872,928
184,783	184,783
579,390	579,390
8,413	99,817
327,758	327,758
507,706	507,706
-	430,648
4,000,737	12,392,210
342,804	3,252,528
58,464	58,464
2,473,912	4,307,788
339,368	372,888
-	1,283,534
103,175	811,979
-	15,614
-	888,961
-	385,613
<u>3,357,721</u>	<u>11,888,259</u>

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

CONDENSED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 AND DISCRETARILY EXPENDED COMPONENT UNIT

For the Year Ended June 30, 1997

	<u>GOVERNMENTAL FUND TYPES</u>		TOTAL PRIMARY GOVERNMENT MEMORANDUM ONLY
	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	
Revenues:			
State General Fund	\$6,386,730	\$ 469,147	\$6,855,877
State General Fund by Interagency Transfers	335,346	-	335,346
State General Fund by Self-Generated Revenues	18,715	-	18,715
Donated Facilities, Administrative Support, and Programming	53,670	-	53,670
Federal Grants	197,597	488,348	685,945
Not Realized and Unrealized Gains (Losses)	-	-	-
Community Service Grant from the Corporation for Public Broadcasting	-	-	-
Membership Support from Friends of Louisiana Public Broad- casting	-	-	-
Program Underwriting	-	-	-
Special Projects/Local Productions	-	-	-
Other	94,400	-	94,400
Interest and Dividend Income (Net of Expenses of \$32,765)	-	-	-
Louisiana Public Broadcasting Trust Fund	-	-	-
Rental Income - Note 6	<u>430,548</u>	<u>-</u>	<u>430,548</u>
Total Support and Revenue	7,513,986	957,497	8,471,483
Expenditures:			
Personal Services	2,968,724	-	2,968,724
Travel	-	-	-
Operating Services	1,833,854	-	1,833,854
Professional Services	33,528	-	33,528
Other Charges	1,283,554	-	1,283,554
Capital Outlays/General Support	158,043	569,761	727,804
Interagency Transfers	15,524	-	15,524
Debt Service:			
Principal Retirement	559,951	-	559,951
Interest	<u>168,427</u>	<u>-</u>	<u>168,427</u>
Total Expenditures	7,880,777	569,761	7,650,538

(CONTINUED)

<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>	<u>COMPONENT UNIT FOUNDATION FOR SOCIALWORK IN LOUISIANA PUBLIC BROADCASTING</u>	<u>TOTAL REPORTING ENTITY (MEMORANDUM ONLY)</u>
-	54,578	54,578
33,600	1,987	35,587
<u>-</u>	<u>24,388</u>	<u>24,388</u>
33,600	70,903	104,503
375,444	-	375,444
<u>8,326,846</u>	<u>-</u>	<u>8,326,846</u>
6,469,751	1,749,539	8,219,290
574,463	-	574,463
1,000,000	-	1,000,000
531,061	-	531,061
-	8,054,850	8,054,850
<u>-</u>	<u>1,528,282</u>	<u>1,528,282</u>
<u>9,000,804</u>	<u>7,449,137</u>	<u>8,794,441</u>
<u>48,578,278</u>	<u>89,398,476</u>	<u>127,973,851</u>

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AND DISCREETLY PRESENTED COMPONENT UNIT - (CONTINUED)

as of June 30, 1997

	GOVERNMENTAL FUND TYPES		ACCOUNT GROUP GENERAL LONG-TERM DEBT
	GENERAL	CAPITAL PROJECTS	
Deferred Support and Revenues:			
Underwriting and Local Produc- tions	-	-	-
Federal Grants	-	33,680	-
Educational Services	-	-	-
Total Deferred Support and Revenues	-	33,680	-
Accumulated Unpaid Annual Leave Obligation Under Capital Lease Payable - Note 4	-	-	375,444
Total Liabilities	1,264,683	33,680	5,171,490
Fund Balances/Net Assets:			
Fund Balances:			
Reserved for Capital Outlay Expenditures	-	574,483	-
Unreserved:			
Designated for Technological Advances - Note 11	1,800,000	-	-
Undesignated	531,083	-	-
Total Fund Balances/Net Assets	1,531,083	574,483	-
Net Assets as Restated, Note 12:			
Unrestricted	-	-	-
Temporarily Restricted - Note 11	-	-	-
Total Fund Balances/Net Assets	-	-	-
Total Liabilities and Fund Balances/Net Assets	\$2,795,663	\$ 608,123	\$5,171,490

The accompanying notes are an integral part of this statement.

<u>TOTAL PRIMARY GOVERNMENT (NON-FUNDED ONLY)</u>	<u>COMPONENT UNIT FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING</u>	<u>TOTAL REPORTING ENTITY (INTEGRATED ONLY)</u>
-------------------------------------------------------------------	--------------------------------------------------------------------------------------------------	-----------------------------------------------------------------

\$1,605,409	\$ 211,976	\$1,817,379
-	8,263,030	8,263,030
-	66,661	66,661
-	39,480	39,480
-	117,813	117,813
-	454,239	454,239
1,667,373	-	1,667,373
131,008	-	131,008
-	232,883	232,883
-	13,563	13,563
379,444	-	379,444
<u>4,726,045</u>	<u>-</u>	<u>4,726,045</u>
<u>\$6,975,275</u>	<u>\$9,288,676</u>	<u>\$17,873,951</u>

\$1,083,598	\$ 11,264	\$ 1,074,860
134,236	-	134,236
27,850	-	27,850
35,419	-	35,419
-	1,467,373	1,467,373
3,509	-	3,509

Louisiana Educational Television Authority
 (A Public Telecommunications Entity
 Operated by the State of Louisiana)

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 AND DISCREETELY FUNDING COMPONENT UNITS

as of June 30, 1997

DISCREETELY FUND TYPES

ASSETS	ACCOUNT GROUP		
	GENERAL	CAPITAL PROJECTS	GENERAL LONG-TERM DEBT
Cash and Cash Equivalents - Note 2	\$ 997,288	\$ 608,123	\$ -
Marketable Securities and Invest- ments - Note 2	-	-	-
Accrued Interest Receivable	-	-	-
Prepaid Expense	-	-	-
Costs Incurred for Programs not yet Broadcast	-	-	-
Accounts/Grants Receivable	-	-	-
Due from the Foundation for Excellence in Louisiana Public Broadcasting - Note 6	1,667,372	-	-
Due from State - Interagency Transfer	132,008	-	-
Due from Friends of Louisiana Public Broadcasting - Note 11	-	-	-
Property and Equipment, at Cost Less Accumulated Depreciation of \$20,244 - Note 7	-	-	-
Amount to be Provided for Accumulated Unpaid Annual Leave	-	-	175,444
Amount to be Provided for Retirement of Obligation Under Capital Lease - Note 4	-	-	4,736,245
Total Assets	\$3,796,642	\$ 608,123	\$5,171,490
LIABILITIES AND FUND BALANCES/ NET ASSETS			
Liabilities:			
Accounts Payable	\$1,063,296	\$ -	\$ -
Accrued Payroll	134,236	-	-
Payroll Deductions Payable	27,850	-	-
Accrued Employee Benefits Payable	39,419	-	-
Due to Louisiana Educational Tele- vision Authority - Note 4	-	-	-
Due to State Treasury	3,500	-	-

(CONTINUED)

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Educational Television Authority, Baton Rouge, Louisiana, as of June 30, 1997, and the results of its operations 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 September 11, 1997, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the component unit financial statements of the Louisiana Educational Television Authority, Baton Rouge, Louisiana, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards (as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations) and Schedule of Interagency Revenue are presented for purposes of additional analysis and are 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.

As discussed in Note 13 to the financial statements, in 1997 the discretely presented component unit changed its method of accounting for investments.

Respectfully submitted,

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

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

HANNIS T. BOURGEOIS & CO.,
LIMITED LIABILITY PARTNERSHIP
MEMBER OF DELOITTE LLP
11115 Maple Avenue, Suite 100
Baton Rouge, Louisiana 70805
(504) 482-6200
FAX (504) 482-6201
WWW.HANNIS-BOURGOIS.COM

MEMBER OF DELOITTE LLP
MEMBER OF DELOITTE LLP

A MEMBER OF DELOITTE LLP

Certified Public Accountants

11115 Maple Avenue, Suite 100
Baton Rouge, Louisiana 70805
(504) 482-6200

HANNIS T. BOURGEOIS & CO.,
LIMITED LIABILITY PARTNERSHIP
MEMBER OF DELOITTE LLP
11115 MAPLE AVENUE, SUITE 100
BATON ROUGE, LA 70805

September 11, 1997

Independent Auditor's Report

Members of the Louisiana Educational
Television Authority
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying Component Unit Financial Statements of the Louisiana Educational Television Authority, Baton Rouge, Louisiana, (a component unit of the State of Louisiana) as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

In addition, Hannis T. Bourgeois & Co., L.L.P., acting separately, audited the financial statements of the component unit discretely presented in the Louisiana Educational Television Authority's component unit financial statements. The component unit audited by us, separately accounts for 100% of the assets, liabilities, revenues and expenses of the financial resources of the component unit.

We conducted our audits in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audits provide a reasonable basis for our opinion.

CONTENTS

Independent Auditor's Report.....	Page 1 - 2
Component Unit Financial Statements (Combined Statements - Overview)	
Combined Balance Sheet - All Fund Types and Account Groups and Discretely Presented Component Unit.....	3 - 4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Govern- mental Fund Types and Discretely Presented Component Unit.....	5 - 6
Statement of Cash Flows - Discretely Presented Component Unit.....	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (SSAP Basis) and Actual - General Fund.....	8
Notes to Financial Statements.....	9 - 27
Supplementary Information:	
Schedule of Intergovernmental Revenues.....	28
Schedule of Expenditures of Federal Awards.....	29
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	30 - 33
Independent Auditor's Report on Compliance with Requirements Applicable to its Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	33 - 33
Schedule of Findings and Questioned Costs.....	34

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LOUISIANA EDUCATIONAL TELEVISION AGREEMENT

REPORT ON STATE OF THE COMMISSION
ON EDUCATIONAL TELEVISION

YEAR ENDING JUNE 30, 1967

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the Auditor, or renamed, 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 OCT 08 1967

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