Louisiana Educational Television Authority
Friends of Louisiana Public Broadcasting

Combined Annual Financial Report

June 30, 2019

With Comparative Information
For the Year Ended June 30, 2018

Louisiana Educational Television Authority
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Reports Required by *Government Auditing Standards*

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Independent Auditor's Report

To Management of the
Louisiana Educational Television Authority
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Louisiana Educational Television Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Louisiana Educational Television Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Friends of Louisiana Public Broadcasting (the "Affiliate"), a nonprofit organization, which statements reflect total assets of $713,595 and $676,311, as of June 30, 2019 and 2018, respectively, and total support and revenues of $2,382,421 and $2,540,831 for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Affiliate, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Louisiana Educational Television Authority and Friends of Louisiana Public Broadcasting, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Louisiana Educational Television Authority's 2018 combined financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 2, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statement from which it has been derived.

Emphasis of a Matter

As explained in Note 1 to the financial statements, the columns labeled Affiliate (Friends of Louisiana Public Broadcasting), total, intercompany eliminations, and combined within the financial statements are captioned "memorandum only" to indicate that this information is presented only to facilitate financial analysis as required by reporting guidelines established by the Corporation for Public Broadcasting.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; schedule of budgetary comparison – general fund; schedule of employer's proportionate share of the total collective OPEB liability; schedule of employer's proportionate share of net pension liability; and schedule of employer's pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements of the Louisiana Educational Television Authority. The accompanying combining statement of functional expenditures, schedule of direct revenues, schedule of expenses, and revenue reconciliation are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining statement of functional expenditures, schedule of direct revenues, schedule of expenses, and revenue reconciliation is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the basic combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2020, on our consideration of the Louisiana Educational Television Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Educational Television Authority's internal control over financial reporting and compliance.

Restriction of Use

This report is intended solely for the information and use of Louisiana Educational Television Authority and the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than these specified parties.

Pinell & Martinez, llc

Covington, Louisiana
January 10, 2020

Management's Discussion and Analysis

Introduction

The Management's Discussion and Analysis ("MD&A") of the Louisiana Educational Television Authority ("LETA") presents a narrative overview and analysis of LETA's financial activities for the year ended June 30, 2019. This section focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

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

Financial Highlights

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

- LETA's liabilities exceeded assets at June 30, 2019 by $20,483,633. Total assets decreased by $227,432 approximately 8%, from June 30, 2018 to June 30, 2019.
- Capital assets acquired by LETA are not included in the accompanying financial statements, since LETA acts only as a custodian of these assets and title actually rests with the State of Louisiana.
- LETA had no debt instruments (notes payables or bonds) in the current fiscal year.

In addition to the information contained in this report that directly reflects LETA's financial status, a component unit, the Foundation for Excellence in Louisiana Public Broadcasting (the "Component Unit") is also shown.

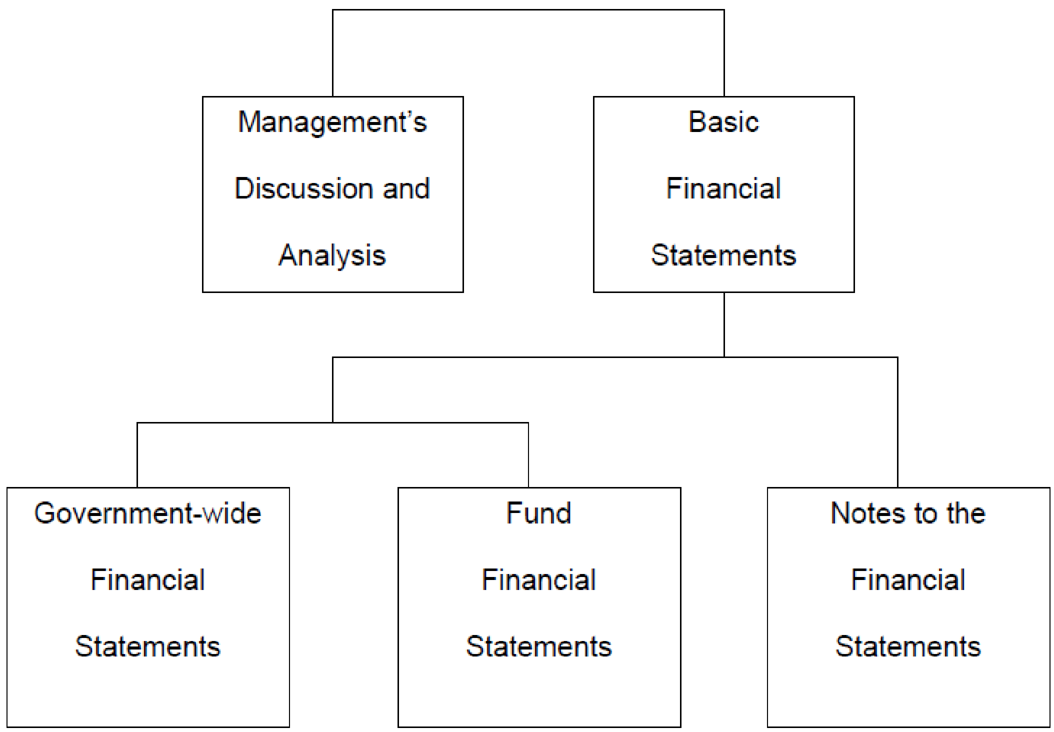
- The Component Unit's assets exceeded liabilities at June 30, 2019 by $41,278,224. Total assets increased by $997,199, approximately 2%, from June 30, 2018 to June 30, 2019.
- The Component Unit's net results from activities decreased by $857,868, approximately 40%, from June 30, 2018 to June 30, 2019.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Authority's basic financial statements. LETA's basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

The basic financial statements present two different views of LETA through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of LETA.

Required Components of the Financial Statements



Basic Financial Statements

The first two statements in the basic financial statements are the government-wide financial statements. They provide both short and long-term information about LETA's financial status. The next statements are fund financial statements. These statements focus on the activities of the individual parts of LETA's operations and provide more detail than the government-wide statements.

The next section of the basic financial statements is the notes to financial statement. The notes to financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show greater details on LETA's operations. Budgetary information can be found in this part of the statements.

Government-Wide Financial Statements
The government-wide financial statements are designed to provide the reader with a broad overview of LETA's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about LETA's financial status as a whole.

The statement of net position presents the current and long-term portions of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. This may provide a useful indicator of whether the financial position of LETA is improving or deteriorating.

The statement of activities presents information showing how LETA's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Fund Financial Statements

The fund financial statements provide a more detailed look at LETA's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. LETA, like all other governmental entities, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the General Statutes or LETA's budget requirements. LETA's fund financial statements consist of only governmental funds.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required and other supplementary information as listed in the table of contents.

Financial Analysis of the Entity

Louisiana Educational Television Authority
The following is a condensed Statement of Net Position for LETA at June 30, 2019 with comparative amounts at June 30, 2018:

	2019	2018	Variance	% Variance
Assets				
Current assets	$ 2,617,618	$ 2,845,050	$ (227,432)	-7.99%
Deferred outflows of resources	2,125,394	1,993,632	131,762	6.61%
	$ 4,743,012	$ 4,838,682	$ (95,670)	-1.98%
Liabilities				
Current liabilities	$ 758,846	$ 281,117	$ 477,729	169.94%
Noncurrent liabilities	22,342,405	23,625,825	(1,283,420)	-5.43%
	23,101,251	23,906,942	(805,691)	-3.37%
Deferred inflows of resources	1,523,314	1,445,407	77,907	5.39%
Net Position				
Restricted for capital projects	2,327,659	2,276,198	51,461	2.26%
Unrestricted	(22,209,212)	(22,789,865)	580,653	2.55%
	(19,881,553)	(20,513,667)	632,114	3.08%
	$ 4,743,012	$ 4,838,682	$ (95,670)	-1.98%

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

Current liabilities increased by $477,729, approximately 170%, from June 30, 2018 to June 30, 2019 primarily from an increase in payables due to the Component Unit. Noncurrent liabilities decreased by $1,283,420, approximately 5%, from June 30, 2018 to June 30, 2019 primarily from the most recent pension plan valuation reducing LETA's net pension liability.

The following is a condensed Statement of Activities for LETA for the year ended June 30, 2019 with comparative amounts for the year ended June 30, 2018:

	2019	2018	Variance	% Variance
Revenues				
Program revenues				
Charges for services	$ 559,591	$ 837,287	$ (277,696)	-33.17%
Capital grants and contributions	-	41,445	(41,445)	-100.00%
General revenues				
State appropriations	6,184,449	5,532,059	652,390	11.79%
General contributions	131,400	131,900	(500)	-0.38%
Support from component unit	2,010,929	2,860,274	(849,345)	-29.69%
Interest	51,461	27,036	24,425	90.34%
	8,937,830	9,430,001	(492,171)	-5.22%
Expenses				
Program services	5,452,012	5,878,144	(426,132)	-7.25%
Management and general	870,976	975,058	(104,082)	-10.67%
	6,322,988	6,853,202	(530,214)	-7.74%
Change in net position	2,614,842	2,576,799	38,043	-1.48%
Capital assets purchased for the benefit of the State of LA	(1,982,728)	(2,370,425)	387,697	16.36%
Net position, beginning of year	(20,513,667)	(20,720,041)	206,374	1.00%
Net position, end of year	$ (19,881,553)	$ (20,513,667)	$ 632,114	3.08%

LETA's total revenues decreased by $492,171, approximately 5%, from June 30, 2018 to June 30, 2019 due primarily from a decrease in support received from the Component Unit. However, state appropriations increased by $652,390 from June 30, 2018 to June 30, 2019.

Expenses decreased by $530,214, approximately 8%, from June 30, 2018 to June 30, 2019. The decrease was caused primarily by changes relating to LETA's pension and OPEB plans.

Foundation for Excellence in Louisiana Public Broadcasting

The following is a condensed Statement of Net Position for the Component Unit at June 30, 2019 with comparative amounts at June 30, 2018:

	2019	2018	Variance	% Variance
Assets				
Current assets	$ 41,655,835	$ 40,658,636	$ 997,199	2.45%
Liabilities				
Current liabilities	$ 377,611	$ 694,573	$ (316,962)	-45.63%
Deferred inflows of resources	10,000	-	10,000	100.00%
Net Position				
Unrestricted	41,268,224	39,964,063	1,304,161	3.26%
	$ 41,655,835	$ 40,658,636	$ 997,199	2.45%

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

Current assets increased by $997,199, approximately 2%, from June 30, 2018 to June 30, 2019. The primary reason for the change is an increase in the value of investments.

Current liabilities decreased by $316,962, approximately 46%, from June 30, 2018 to June 30, 2019. The primary reason for the change is decrease in accounts payable.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the Component Unit for the year ended June 30, 2019 with comparative amounts for the year ended June 30, 2018:

	2019	2018	Variance	% Variance
Revenues				
Grants and contributions	$ 4,743,581	$ 4,813,489	$ (69,908)	-1.45%
Charges for services	1,315,260	1,562,605	(247,345)	-15.83%
Investment returns	1,511,715	2,452,531	(940,816)	-38.36%
Endowment returns	206,143	334,435	(128,292)	-38.36%
	7,776,699	9,163,060	(1,386,361)	-15.13%
Expenses				
Program services	3,707,681	3,457,950	249,731	7.22%
Management and general	753,928	682,807	71,121	10.42%
Support to LETA	2,010,929	2,860,274	(849,345)	-29.69%
	6,472,538	7,001,031	(528,493)	-7.55%
Change in net position	1,304,161	2,162,029	(857,868)	-39.68%
Net position, beginning of year	39,964,063	37,802,034	2,162,029	5.72%
Net position, end of year	$ 41,268,224	$ 39,964,063	$ 1,304,161	3.26%

As part of the broadcast spectrum incentive auction, the Federal Communications Commission (the "FCC") is authorized to repack the television band by assigning television stations to new channels. As part of this initiative, the Component Unit is managing the updates to transmitter stations in Alexandria and Shreveport. The Component Unit was reimbursed by the FCC (see note 8) for a portion of these costs which is included within grants and contributions.

Capital assets are transferred from the Component Unit to LETA at year-end and reported as "financial support transferred to LETA" since all capital assets are carried by the State of Louisiana. Support paid to LETA decreased by $849,345, approximately 30%, from June 30, 2018 to June 30, 2019 primarily from fewer transmitter station assets being transferred to LETA.

Total investment and endowment investment returns decreased by $1,069,108 from June 30, 2018 to June 30, 2019 due primarily to the Component Unit's investment portfolio not performing as well as the previous fiscal year.

General Fund Budgetary Highlights

For the years ended June 30, 2019 and 2018, expenses on the budgetary basis exceeded revenues by $494,974 and $484,304, respectively. Over the last decade, LETA has had to rely on increased entrepreneurial activities and increased support from the Foundation for Excellence in Louisiana Public Broadcasting to bridge this gap. In addition, LETA has continued to decrease operating expenses through continued performance and quality improvement efforts and delayed equipment and building maintenance and repairs whenever possible. There were no significant reductions in services provided.

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

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

- A fundamental shift in the broadcasting environment requiring new digital distributions.
- A 26% decrease in LETA's state general fund appropriation over the past 10 years.
- A 174% increase in LETA's self-generated and IAT revenue budget appropriation over the past 10 years.
- LETA's dedicated staff continues to shoulder increasing responsibilities as the staff has been reduced by 27% over the past 13 years – from 91 employees in fiscal year 2006 to the current staff of 66.
- Continued partnership with the Office of the Secretary of State to expand the digital media archive library of Louisiana's historical media collection.
- Continue to work closely with the Louisiana Department of Culture, Recreation and Tourism to promote Louisiana across the nation as a premier tourist destination.
- Continued commitment to LETA's pre-K literacy programs through an increased number of Super Why Camps and other early childhood initiatives.
- Continued partnership with the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) to enhance GOHSEP's education and training programs and to expand community outreach and public awareness related to hurricane preparedness and other emergency situations.
- Continued reliance on singular production projects for basic state operating budget.

Contacting the Louisiana Educational Television Authority

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

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

Government-Wide Financial Statements

Louisiana Educational Television Authority
Combined Statement of Net Position
June 30, 2019
With Summarized Totals as of June 30, 2018

	Primary Government	Component Unit	Memorandum Only Affiliate	Total	Intercompany Eliminations	Combined	2018 Combined
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Current Assets							
Cash and cash equivalents	$ 6,416	$ 1,696,711	$ 515,340	$ 2,218,467	$ -	$ 2,218,467	$ 2,287,639
Cash restricted for capital projects	2,327,659	-	-	2,327,659	-	2,327,659	2,276,198
Certificates of deposit	-	-	125,683	125,683	-	125,683	123,460
Investments	-	34,148,507	-	34,148,507	-	34,148,507	33,224,612
Endowment investments	-	4,656,615	-	4,656,615	-	4,656,615	4,530,628
Accounts receivable, net	25,893	77,451	-	103,344	-	103,344	740,276
Grants and contributions receivable, net	-	459,935	49,431	509,366	-	509,366	60,544
Interest receivable	-	-	-	-	-	-	1,208
Due from related party	145,533	451,639	-	597,172	(597,172)	-	-
Due from State of Louisiana	-	-	-	-	-	-	150,000
Cost of programs not yet broadcast	-	159,582	-	159,582	-	159,582	165,098
Prepaid expenses	112,117	5,395	4,132	121,644	-	121,644	136,248
	2,617,618	41,655,835	694,586	44,968,039	(597,172)	44,370,867	43,695,911
Noncurrent Assets							
Capital assets, net	-	-	19,009	19,009	-	19,009	18,118
	2,617,618	41,655,835	713,595	44,987,048	(597,172)	44,389,876	43,714,029
Deferred Outflows of Resources							
Deferred outflows related to pension plan	1,484,100	-	-	1,484,100		1,484,100	1,674,226
Deferred outflows related to OPEB plan	641,294	-	-	641,294	-	641,294	319,406
	2,125,394	-	-	2,125,394	-	2,125,394	1,993,632
	$ 4,743,012	$ 41,655,835	$ 713,595	$ 47,112,442	$ (597,172)	$ 46,515,270	$ 45,707,661

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Combined Statement of Net Position *(Continued)*
June 30, 2019
With Summarized Totals as of June 30, 2018

	Primary Government	Component Unit	Affiliate	Total	Intercompany Eliminations	Combined	2018 Combined
			Memorandum Only				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION							
Current Liabilities							
Accounts payable	$ 66,416	$ 130,432	$ -	$ 196,848	$ -	196,848	$ 370,498
Accrued salaries and wages	210,708	-	1,047	211,755	-	211,755	199,774
Due to related party	139,019	145,533	312,620	597,172	(597,172)	-	-
Due to State of Louisiana	3,500	-	-	3,500	-	3,500	3,500
Unearned underwriting / production revenues	-	101,646	-	101,646	-	101,646	184,354
Accrued compensated absences	20,937	-	25,972	46,909	-	46,909	52,868
Other postemployment benefit (OPEB) liability, current	318,266	-	-	318,266	-	318,266	-
	758,846	377,611	339,639	1,476,096	(597,172)	878,924	810,994
Noncurrent Liabilities							
Accrued compensated absences	397,797	-	-	397,797	-	397,797	459,098
Pension liability	11,116,140	-	-	11,116,140	-	11,116,140	12,212,510
Other postemployment benefit (OPEB) liability	10,828,468	-	-	10,828,468	-	10,828,468	10,954,217
	22,342,405	-	-	22,342,405	-	22,342,405	23,625,825
	23,101,251	377,611	339,639	23,818,501	(597,172)	23,221,329	24,436,819
Deferred Inflows of Resources							
Deferred inflows related to pension plan	657,113	-	-	657,113	-	657,113	825,661
Deferred inflows related to OPEB plan	866,201	-	-	866,201	-	866,201	619,746
Deferred inflows related to grants	-	10,000	-	10,000	-	10,000	-
	1,523,314	10,000	-	1,533,314	-	1,533,314	1,445,407
Net Position							
Restricted for capital projects	2,327,659	-	-	2,327,659	-	2,327,659	2,276,198
Unrestricted	(22,209,212)	41,268,224	373,956	19,432,968	-	19,432,968	17,549,237
	(19,881,553)	41,268,224	373,956	21,760,627	-	21,760,627	19,825,435
	$ 4,743,012	$ 41,655,835	$ 713,595	$ 47,112,442	$ (597,172)	$ 46,515,270	$ 45,707,661

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Combined Statement of Activities
For the Year Ended June 30, 2019
With Summarized Totals for the Year Ended June 30, 2018

		Program Revenues			Primary Govt.	Component Unit	Affiliate	*Memorandum Only*			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets	Net Revenue (Expense) and Changes in Net Assets	Net Revenue (Expense) and Changes in Net Assets	Total	Intercompany Eliminations	Combined	**2018** Combined
Primary Government											
Programming and production	$ 2,171,196	$ 82,905	$ -	$ -	$ (2,088,291)	$ -	$ -	$ (2,088,291)	$ -	$ (2,088,291)	$ (2,319,115)
Broadcasting	3,040,134	476,686	-	-	(2,563,448)	-	-	(2,563,448)	(325,222)	(2,888,670)	(2,841,114)
Program information	240,682	-	-	-	(240,682)	-	-	(240,682)	-	(240,682)	(263,091)
Management and general	870,976	-	-	-	(870,976)	-	-	(870,976)	-	(870,976)	(975,058)
	6,322,988	559,591	-	-	(5,763,397)	-	-	(5,763,397)	(325,222)	(6,088,619)	(6,398,378)
Component Unit	6,472,538	1,315,260	3,593,301	-		(1,563,977)		(1,563,977)	2,305,774	741,797	1,378,106
Affiliate	2,377,097	-	2,379,700	-			2,603	2,603	1,180,657	1,183,260	1,332,438
General Revenues											
State appropriations					6,184,449	-	-	6,184,449	-	6,184,449	5,532,059
Contributions not assigned to a specific program					131,400	-	-	131,400	-	131,400	131,900
Financial support from related party					2,010,929	1,150,280	-	3,161,209	(3,161,209)	-	-
Insurance proceeds					-	-	-	-	-	-	41,445
Interest and investment earnings					51,461	1,511,715	2,721	1,565,897	-	1,565,897	2,480,792
Interest and investment earnings - endowment					-	206,143	-	206,143	-	206,143	334,435
					8,378,239	2,868,138	2,721	11,249,098	(3,161,209)	8,087,889	8,520,631
Increase (decrease) in net position					2,614,842	1,304,161	5,324	3,924,327	-	3,924,327	4,832,797
Capital assets purchased for the benefit of the State of Louisiana					(1,982,728)	-	-	(1,982,728)	-	(1,982,728)	(2,370,425)
Net position, beginning of year					(20,513,667)	39,964,063	368,632	19,819,028	-	19,819,028	17,363,063
Net position, end of year					$ (19,881,553)	$ 41,268,224	$ 373,956	$ 21,760,627	$ -	$ 21,760,627	$ 19,825,435

See accompanying notes to financial statements.

Fund Financial Statements

Louisiana Educational Television Authority
Balance Sheet – Governmental Funds
June 30, 2019
With Comparative Amounts as of June 30, 2018

	2019			2018		
	General Fund	Capital Projects Fund	Total Funds	General Fund	Capital Projects Fund	Total Funds
ASSETS						
Current Assets						
Cash and cash equivalents	$ 6,416	$ 2,327,659	$ 2,334,075	$ 22,169	$ 2,276,198	$ 2,298,367
Accounts receivable	25,893	-	25,893	68,112	-	68,112
Due from related party	145,533	-	145,533	194,754	-	194,754
Due from State of Louisiana	-	-	-	150,000	-	150,000
Prepaid lease	112,117	-	112,117	133,817	-	133,817
	$ 289,959	$ 2,327,659	$ 2,617,618	$ 568,852	$ 2,276,198	$ 2,845,050
LIABILITIES AND FUND BALANCES						
Current Liabilities						
Accounts payable	$ 66,416	$ -	$ 66,416	$ 55,033	$ -	$ 55,033
Accrued salaries payable	210,708	-	210,708	198,421	-	198,421
Due to related party	139,019	-	139,019	-	-	-
Due to State of Louisiana	3,500	-	3,500	3,500	-	3,500
	419,643	-	419,643	256,954	-	256,954
Fund Balances						
Restricted	-	2,327,659	2,327,659	-	2,276,198	2,276,198
Unassigned	(129,684)	-	(129,684)	311,898	-	311,898
	(129,684)	2,327,659	2,197,975	311,898	2,276,198	2,588,096
	$ 289,959	$ 2,327,659	$ 2,617,618	$ 568,852	$ 2,276,198	$ 2,845,050

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Reconciliation of the Governmental Funds Balance Sheet
to the Combined Statement of Net Position
For the Year Ended June 30, 2019
With Comparative Amounts for the Year Ended June 30, 2018

	2019	2018
Total fund balances as reflected on the governmental funds balance sheet	$ 2,197,975	$ 2,588,096
Contributions to the pension and OPEB plans in the current fiscal year and changes in assumptions and other inputs resulting from the plans' valuations are deferred outflows of resources on the statement of net position	2,125,394	1,993,632
Changes in assumptions and other inputs resulting from the pension and OPEB plans' valuations are deferred inflows of resources on the statement of net position	(1,523,314)	(1,445,407)
Liabilities that are not due and payable in the current period are not reported in the governmental funds balance sheet; however, the liabilities are recorded in the combined statement of net position.		
Accrued compensated absences	(418,734)	(483,261)
Pension liability	(11,116,140)	(12,212,510)
Other postemployment benefits obligation	(11,146,734)	(10,954,217)
Net position as reflected on the statement of net position	$ (19,881,553)	$ (20,513,667)

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2019
With Comparative Amounts for the Year Ended June 30, 2018

	2019			2018		
	General Fund	Capital Projects Fund	Total Funds	General Fund	Capital Projects Fund	Total Funds
Revenues						
State appropriations	$ 6,184,449	$ -	$ 6,184,449	$ 5,532,059	$ -	$ 5,532,059
Grants and contributions	131,400	-	131,400	131,900	-	131,900
Financial support from component unit	2,010,929	-	2,010,929	2,860,274	-	2,860,274
Projects and local productions	82,905	-	82,905	54,766	-	54,766
Lease and rental revenues	476,686	-	476,686	782,521	-	782,521
Interest	-	51,461	51,461	-	27,036	27,036
	8,886,369	51,461	8,937,830	9,361,520	27,036	9,388,556
Expenditures						
Programming and production	2,557,601	-	2,557,601	2,494,097	-	2,494,097
Broadcasting	5,452,200	-	5,452,200	5,745,171	-	5,745,171
Program information	283,616	-	283,616	276,448	-	276,448
Management and general	1,034,534	-	1,034,534	1,025,942	-	1,025,942
	9,327,951	-	9,327,951	9,541,658	-	9,541,658
Excess(deficiency) of revenues over expenditures	(441,582)	51,461	(390,121)	(180,138)	27,036	(153,102)
Other Financings Sources (Uses)						
Insurance proceeds	-	-	-	41,445	-	41,445
	-	-	-	41,445	-	41,445
Decrease in fund balances	(441,582)	51,461	(390,121)	(138,693)	27,036	(111,657)
Fund balances, beginning of year	311,898	2,276,198	2,588,096	450,591	2,249,162	2,699,753
Fund balances, end of year	$ (129,684)	$ 2,327,659	$ 2,197,975	$ 311,898	$ 2,276,198	$ 2,588,096

See accompanying notes to financial statements.

Louisiana Educational Television Authority
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Combined Statement of Activities
For the Year Ended June 30, 2019
With Comparative Amounts for the Year Ended June 30, 2018

	2019	2018
Decrease in fund balances as shown on the statement of revenues, expenditures, and changes in fund balances	$ (390,121)	$ (111,657)
Governmental funds report capital outlays as expenditures. In the combined statement of activities, the cost of these assets should be allocated over the estimated useful lives as depreciation expense. However, Louisiana Educational Television Authority is only the custodian of these assets and the State of Louisiana is the owner. Neither the capital assets nor the depreciation expense are recorded in these financial statements.		
Capital assets purchased for the benefit of the State of Louisiana	1,982,728	2,370,425
Some expenses reported in the combined statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds:		
Change in accrued compensated absences	64,527	(10,435)
Change in pension liability	1,096,370	1,575,861
Change in other postemployment benefits (OPEB) liability	(192,517)	481,733
Changes in deferred outflows of resources related to the pension and OPEB plans	131,762	(1,429,310)
Changes in deferred inflows of resources related to the pension and OPEB plans	(77,907)	(299,818)
Increase (decrease) in net position as reflected on the statement of activities	$ 2,614,842	$ 2,576,799

See accompanying notes to financial statements.

1. History and Summary of Significant Accounting Policies

Organization

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

The Foundation for Excellence in Louisiana Public Broadcasting (the "Component Unit") was established August 7, 1992 as a nonprofit Louisiana Corporation. It was organized to direct all of its efforts to the support of the LETA. The Component Unit 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 Component Unit operates under the authority of its Board of Directors. The Directors are nominated and appointed by the existing LETA Directors.

Friends of Louisiana Public Broadcasting, Inc. (the "Affiliate") is a Louisiana non-profit corporation that was incorporated on April 30, 1991. The Affiliate solicits funds for the benefit of LETA which operates Louisiana Public Broadcasting ("LPB"). The Affiliate operates under authority of its autonomous Board of Directors. The administrative office of the Affiliate is located in the LPB broadcast center in Baton Rouge, Louisiana.

Financial Reporting Entity

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

The Component Unit and Affiliate are private nonprofit organizations that report under the Financial Accounting Standards Board ("FASB"), including FASB Accounting Standards Codification 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Nevertheless, the Component Unit and Affiliate follows LETA's - the primary government – financial reporting framework within these financial statements. Therefore, modifications have been made to the Component Unit's financial information for these differences.

The Component Unit reported grants totaling $10,000 as temporarily restricted net assets for the year ended June 30, 2019 due to the Component Unit not meeting the grants' specifications prior to year-end. To comply with the primary government's financial reporting framework, the grant revenues have been reduced by $10,000 and are reported as deferred inflows of resources at June 30, 2019. The Component Unit's audited financial statements can be obtained from the Component Unit for Excellence in Louisiana Public Broadcasting's management.

Management has determined that the assets and revenues of the Affiliate do not meet the threshold for reporting component units. Therefore, the funds of the Affiliate were not presented in LETA's statements for the years ended June 30, 2019 and 2018 but are presented in this combined annual financial report for analysis purposes only for reporting to the Corporation for Public Broadcasting ("CPB"). The Affiliate's audited financial statements can be obtained from Friends of Louisiana Public Broadcasting's management.

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

- Government-Wide Financial Statements:

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

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

- Net Position:

  The statement of net position reports net position as the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is displayed in three components:

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

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

When both restricted and unrestricted resources are available for use, it is LETA's policy to use the restricted resources first, then unrestricted resources as needed.

- Fund Financial Statements:

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

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

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

- Fund Balance

In fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy primarily on the extent to which LETA is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in the following five components:

- Nonspendable - This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributions, or laws or regulations of other governments) or by law, through constitutional provisions or enabling legislation. Enabling legislation authorizes LETA to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

- Committed - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of LETA. Those committed amounts cannot be used for any other purpose unless LETA removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- Assigned - This component consists of amounts that are constrained by LETA's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by LETA or the designee as established in LETA's fund balance policy.
- Unassigned - This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is LETA's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) are available for use.

It is LETA's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Basis of Accounting and Measurement Focus

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

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

Principles of Combination

The accompanying Combined Statement of Net Position and Combined Statement of Activities are presented as combined financial statements for analysis purposes. The primary government, LETA, leases office space to the Component Unit and Affiliate. In addition, the Affiliate transfers funds in excess of specified amounts to the Component Unit, and the Component Unit provides financial support to LETA. The material transactions and accounts between the related entities have been eliminated. See Note 12 for further detail on related party transactions.

Memorandum Columns
The Affiliate, total, intercompany eliminations, and combined columns in the Combined Statement of Net Position and the Combined Statement of Activities are captioned "memorandum only" to indicate that this information is presented only to facilitate financial analysis as required by reporting guidelines established by the Corporation for Public Broadcasting, a federal awarding agency.

Reclassifications
Certain reclassifications have been made to the June 30, 2018 financial statements to conform to the current year presentation.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses reported during the period. Actual results could differ from those estimates.

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

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

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

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

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

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

Certificates of Deposit
The Affiliate's certificates of deposit as reported in the statement of net position are measured at fair value (Level 1) on a recurring basis.

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

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

The Component Unit invests in alternative investments consisting of managed futures, commodities, private equity, private real estate, and other non-traditional investments. These investments utilize a variety of instrument strategies incorporating marketable securities and, in some cases, derivative instruments, all of which are reported at fair value by the fund managers.

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

Accounts Receivable
Accounts receivable consists primarily of amounts owed by customers for educational, production, and uplink services provided. Management periodically reviews the status of all accounts receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of the customer, the relationship with the customer, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged to the allowance for doubtful accounts. LETA's management and the Component Unit's management has determined that the accounts receivable balance to be collectible and an allowance for doubtful accounts is considered unnecessary.

Contributions Receivable
The Affiliate's unconditional promises to give are primarily receivable from individuals and are carried at net realizable value, which approximates the present value of estimated future cash flows. Each receivable balance is assessed based on management's knowledge of the donor, the relationship with the donor, and the age of the receivable balance. As a result of these reviews, donor balances deemed to be uncollectible are charged to the allowance for uncollectible accounts in the amounts of $8,723 and $10,684 for the years ended June 30, 2019 and 2018, respectively.

Cost of Programs Not Yet Broadcast

Costs the Component Unit incurs for programs not yet broadcast are reported as prepaid expenses. Such costs relate to program rights purchased by the Component Unit that will be broadcast subsequent to June 30. Programs broadcasted within one year are classified as current assets whereas programs to be broadcasted in more than one year are classified as long-term. At June 30, 2019 and 2018, there were no long-term costs incurred for programs not yet broadcast. As the programs are broadcast, the costs incurred will be included in operating expenses. Program status is evaluated annually. Costs associated with programs not considered to have future benefit are adjusted to net realizable value.

Capital Assets

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

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

The Affiliate's policy is to capitalize property and equipment over $1,000. The equipment is stated at cost less accumulated depreciation and is depreciated using the straight-line method over the estimated useful life. Expenditures for repairs and maintenance are charged to operating expense as incurred.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. The entities received no donated asset during the current fiscal year.

Accrued Compensated Absences

Employees of LETA, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years of service. There is no limit on the amount of annual or sick leave that can be accumulated. LETA is legally liable to compensate an employee upon retirement or termination for up to 300 hours of unused annual leave. Upon retirement, the number of hours of unused annual leave in excess of 300 hours plus the number of hours of unused sick leave is computed into years or fraction of years and is added to the number of years of service earned by the retiree. The unused annual and sick leave is counted towards the number of years of service only for computing the rate of retirement pay due the retiree and does not count toward the number of years necessary for retirement. The liability for unused annual leave payable at June 30, 2019 and 2018 is $418,734 and $483,261, respectively.

The cost of leave privileges is recognized as an expense and a liability in the financial statements in the period in which the leave is earned. The compensated absences liability is recorded as a long-term liability with the portion expected to be paid within one year recorded as a current liability and an expense allocated on a functional basis. The accrued compensated absences balance is not recorded in the governmental fund-type financial statements at June 30, 2019 and represents a reconciling item between the fund and government-wide presentation.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Health Care and Life Insurance Benefits
LETA provides certain continuing health care and life insurance benefits for its retired employees. LETA recognizes the expense of providing these retiree benefits in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Deferred Outflows of Resources
In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This balance represents a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenses) until then. LETA has the following items that qualify for reporting in this category:

Pension plan – these deferred outflows result from pension contributions after the measurement date (deferred and recognized in the following fiscal year) and changes in assumptions, differences in projected and actual earnings on pension assets, and changes in proportion and differences between employer contributions and proportionate share of contributions (deferred and amortized over a closed five year period).

OPEB plan – these deferred outflows result from OPEB contributions after the measurement date (deferred and recognized in the following fiscal year).

Deferred Inflows of Resources
Deferred inflows of resources are acquisitions of net position by LETA that is applicable to a future reporting period and so will not be recognized as an inflow of resources until then. LETA has the following items that qualify for reporting in this category:

Pension plan – these deferred inflows result from differences between expected and actual experience and changes in proportion and differences between employer contributions and proportionate share of contributions (deferred and amortized over a closed five year period).

OPEB plan – these deferred inflows result from changes in assumptions and changes in proportion and differences between employer contributions and proportionate share of contributions (deferred and amortized over a closed five year period).

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

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

Lease Revenue
LETA and the Component Unit entered into contracts with Nextel Spectrum Acquisition Corporation (Sprint Nextel) and Clearwire Corporation (Clearwire), in accordance with Federal Communications Commission (FCC) rules, to lease excess capacity on its EBS frequencies. Under the terms of the contracts, LETA and the Component Unit retain the license on the EBS frequencies and have responsibility for compliance with all educational and other requirements imposed by the FCC. LETA and the Component Unit receive monthly and anniversary payments which are recognized as revenues when earned. LETA lease revenues from EBS frequencies totaled $151,464 and $332,868 for the years ended June 30, 2019 and 2018, respectively. The Component Unit’s lease revenues from EBS frequencies totaled $85,848 and $193,140 for the years ended June 30, 2019 and 2018, respectively.

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

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

Advertising Costs
Advertising costs are expensed as incurred. Advertising expense for the Component Unit was $49,357 and $49,711 for the years ended June 30, 2019 and 2018, respectively.

Income Taxes
The Component Unit and Affiliate have been recognized by the Internal Revenue Service as organizations exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in these financial statements. With few exceptions, the Component Unit and Affiliate are no longer subject to federal or state examinations by tax authorities for the years before 2016.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Component Unit and Affiliate may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2019 and 2018.

Implemented Accounting Pronouncement

Statement No. 85, *"Omnibus 2017."* On March 20, 2017, GASB issued *"Omnibus 2017"* to address practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB). Specifically, this statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and “negative” goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

Upcoming Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 84, *“Fiduciary Activities"* improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, *"Leases"* increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 90, *"Majority Equity Interest"* improves the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment and measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for reporting period beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

2. Deposits

All monies of LETA are deposited with the Louisiana Department of Treasury, which is responsible for maintaining these deposits in accordance with Louisiana State Law. Consequently, management of LETA does not have any control over the cash balances. Deposits consist of the following at June 30:

	2019	2018
Deposits per statement of net position (reconciled bank balance)	$ 2,334,075	$ 2,298,367
Deposits held by Louisiana Treasury	$ 2,330,575	$ 2,290,800
Deposits held by financial institution	$ 4,959	$ 4,262
Category 3 bank balances:		
a. Uninsured and uncollateralized	$ -	$ -
b. Uninsured and collateralized with securities held by the pledging institution	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name	-	-
Total category 3 bank balances	$ -	$ -

Custodial Deposit Risk
The Louisiana Department of Treasury is responsible for maintaining the cash balances and securing such balances from risk through custodial agreements. The risk disclosures required by accounting principles generally accepted in the United States are included with the State of Louisiana's Comprehensive Annual Financial Report.

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

3. Investments

The Component Unit's investments are measured at fair value and are comprised of the following at June 30:

	2019	2018
Government and agency securities	$ 644,893	$ 558,182
Corporate fixed income securities	352,686	302,734
Common and preferred stocks	6,018,531	6,019,005
Mutual funds	17,699,977	16,491,339
Alternative investments	8,753,320	8,861,684
Pooled investments held by the Baton Rouge Area Foundation on behalf of the Foundation	679,100	991,668
	$ 34,148,507	$ 33,224,612

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

	2019	2018
Net realized and unrealized gain on investments	$ 381,693	$ 1,496,475
Interest and dividend income	1,245,908	1,068,942
Investment fees	(115,886)	(112,886)
	$ 1,511,715	$ 2,452,531

Custodial Credit Risk
The risk that in the event of the failure of the counterparty to a transaction the Component Unit may not be able to recover the value of investments that are in the possession of an outside party. At June 30, 2019 and 2018, the Component Unit's investments in common and preferred stocks and mutual funds are uninsured on the performance of the custodian and are exposed to custodial credit risk because they are held by the counterparty, but not in the Component Unit's name. The Component Unit's investments in mutual funds, money market funds, and external investment pools are not susceptible to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk
The risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics. At June 30, 2019, the Component Unit invested $644,893 in government and government agency securities and $352,686 in corporate fixed income securities which mature in one to five years. At June 30, 2018, the Component Unit invested $558,162 in government and government agency securities and $302,734 in corporate fixed income securities which mature in one to five years.

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

Concentration of Credit Risk
The risk of loss that may occur due to the amount of investment in a single issuer. The Component Unit's investment policy establishes a target asset mix which is meant to diversify the portfolio and pose a lower risk that a concentration may exist.

4. Board Designated Endowment

The Component Unit's Board of Directors has designated 12% of total investments as a general endowment fund to support the mission of the Component Unit. Since the endowment resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted.

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

Accordingly, over the long term, the Component Unit expects the current spending policies to allow its endowment to grow annually. This is consistent with the Component Unit's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The following schedule summarizes the changes in the Component Unit's endowment net assets for the years ended June 30:

	2019	2018
Beginning balance	$ 4,530,628	$ 4,175,548
Net purchases / sales of investments	73,938	151,016
Net realized and unrealized gains on investments	52,049	204,064
Ending balance	$ 4,656,615	$ 4,530,628

The Component Unit's board designated endowment was comprised of the following at June 30:

	2019	2018
Government and agency securities	$ 87,940	$ 76,115
Corporate fixed income securities	48,093	41,282
Common and preferred stocks	820,709	820,773
Mutual funds	2,413,633	2,248,819
Alternative investments	1,193,635	1,208,411
Pooled investments held by the Baton Rouge Area Foundation on behalf of the Foundation	92,605	135,228
	$ 4,656,615	$ 4,530,628

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

	2019	2018
Net realized gain(loss) on sale of investments	$ 52,049	$ 204,064
Interest and dividend income	169,897	145,765
Investment fees	(15,803)	(15,394)
	$ 206,143	$ 334,435

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

5. Fair Value Measurements

The Component Unit has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value which are as follows:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Component Unit has the ability to access.
- Level 2 inputs to the valuations methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Board's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Board's own data.

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

Money market funds and investments in common and preferred and mutual funds are valued at the quoted market prices in the active market on which the individual securities are traded.

The investments in the Baton Rouge Area Foundation (the "BRAF") pool represent various specific investments and various pools of funds held by BRAF for the benefit of the Component Unit and other non-profit organizations. These funds are measured on a recurring basis through estimates and assumptions made by the BRAF. All of the Component Unit's pooled investments held by the BRAF are considered level 2 investments.

The following table sets forth by level the Component Unit's assets at fair value as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$ 409,587	$ -	$ -	$ 409,587
Investments				
Government and agency securities	-	644,893	-	644,893
Corporate debt securities	-	352,686	-	352,686
Common and preferred stocks	6,018,531	-	-	6,018,531
Mutual funds	17,699,977	-	-	17,699,977
Alternative investments	-	-	8,753,320	8,753,320
Pooled investments held by Baton Rouge Area Foundation	-	679,100	-	679,100
	23,718,508	1,676,679	8,753,320	34,148,507
Investments - endowment				
Government and agency securities	-	87,940	-	87,940
Corporate debt securities	-	48,093	-	48,093
Common and preferred stocks	820,709	-	-	820,709
Mutual funds	2,413,633	-	-	2,413,633
Alternative investments	-	-	1,193,635	1,193,635
Pooled investments held by Baton Rouge Area Foundation	-	92,605	-	92,605
	3,234,342	228,638	1,193,635	4,656,615
	$ 27,362,437	$ 1,905,317	$ 9,946,955	$ 39,214,709

The following table sets forth by level the Component Unit's assets at fair value as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$ 346,254	$ -	$ -	$ 346,254
Investments				
Government and agency securities	-	558,182	-	558,182
Corporate debt securities	-	302,734	-	302,734
Common and preferred stocks	6,019,005	-	-	6,019,005
Mutual funds	16,491,339	-	-	16,491,339
Alternative investments	-	-	8,861,684	8,861,684
Pooled investments held by Baton Rouge Area Foundation	-	991,668	-	991,668
	22,510,344	1,852,584	8,861,684	33,224,612
Investments - endowment				
Government and agency securities	-	76,115	-	76,115
Corporate debt securities	-	41,282	-	41,282
Common and preferred stocks	820,773	-	-	820,773
Mutual funds	2,248,819	-	-	2,248,819
Alternative investments	-	-	1,208,411	1,208,411
Pooled investments held by Baton Rouge Area Foundation	-	135,228	-	135,228
	3,069,592	252,625	1,208,411	4,530,628
	$ 25,926,190	$ 2,105,209	$ 10,070,095	$ 38,101,494

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

	2019	2018
Beginning balance	$ 10,070,095	$ 8,905,711
Purchases	168,843	1,472,777
Transfers in(out)	-	(243,934)
Net realized/unrealized gain(loss)	(291,983)	(64,459)
Ending balance	$ 9,946,955	$ 10,070,095

6. Capital Assets

The Component Unit's property and equipment consist of the following:

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019
Computer software	$ 69,938	$ -	$ -	$ 69,938
Accumulated depreciation	(69,938)	-	-	(69,938)
	$ -	$ -	$ -	$ -

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

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019
Equipment	$ 173,755	$ 3,860	$ -	$ 177,615
Accumulated depreciation	(155,612)	(2,994)	-	(158,606)
	$ 18,143	$ 866	$ -	$ 19,009

7. Noncurrent Liabilities

The following is a summary of changes in LETA's noncurrent liabilities:

	Balance at June 30, 2018	Additions	Payments and Reductions	Balance at June 30, 2019	Due in One Year
Accrued compensated absences	$ 483,261	$ 53,418	$ (117,945)	$ 418,734	$ 20,937
Pension liability	12,212,510	106,807	(1,203,177)	11,116,140	-
OPEB liability	10,954,217	511,923	(319,406)	11,146,734	-
	$ 23,649,988	$ 672,148	$ (1,640,528)	$ 22,681,608	$ 20,937

8. Commitments

Louisiana Educational Television Authority
LETA leases multiple tower sites and satellite space to broadcast programs under non-cancelable lease agreements. LETA's aggregate remaining minimum rental commitments under these leases are summarized as follows:

Year Ending June 30:	Amount
2020	502,895
2021	502,895
2022	169,820
2023	35,060
2024	22,700
Thereafter	1,250
	$ 1,234,620

Rental expense for the years ended June 30, 2019 and 2018 was $567,895 and $570,024, respectively, and is reported as broadcasting expenses in the accompanying financial statements.

Foundation for Excellence in Louisiana Public Broadcasting
The Component Unit was committed to construction and engineering contracts during 2019. The significant commitments are as follows:

	Estimated Cost	Costs Incurred to Date	Reimbursement Requested
Television Repack Project - KLTS	$ 3,590,789	$ 1,869,778	$ 1,810,102
Television Repack Project - KLPA	3,100,250	1,712,648	1,665,780
	$ 6,691,039	$ 3,582,426	$ 3,475,882

As part of the broadcast spectrum incentive auction, the Federal Communications Commission (the "FCC") is authorized to repack the television band by assigning television stations to new channels. Nearly 1,000 stations will be moved to new channels including the Component Unit. As part of the move to new channels, the Component Unit must update existing broadcasting equipment located in Alexandria and Shreveport.

The Spectrum Act (the "Act") provides $1.75 billion to be expended for reimbursement payments to involuntarily repacked broadcasters. The Spectrum Act requires that the FCC "reimburse costs reasonably incurred by" broadcast television licensees that are reassigned to new channels that incur costs related to continuing to carry the signals of broadcast stations moving to a new channel.

The FCC will reimburse broadcasters by providing initial allocations of funds based on their estimated costs and the amount of funds available followed by one or more additional allocations, to the extent necessary, prior to the end of the three-year reimbursement period. Subject to fund availability constraints, the FCC will issue broadcasters initial allocations equivalent to up to 90% of their estimated costs eligible for reimbursement. Funding received is not susceptible to an audit under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); however, the FCC conducts audits of fund recipients.

9. Other Postemployment Health and Life Insurance Benefits

Plan Description

The Office of Group Benefits ("OGB") administers the State of Louisiana's post-retirement benefits plan – a defined benefit, multiple-employer other postemployment benefit plan ("OPEB"). OPEB provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan , while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System,) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303.

Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.
There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2019. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans.

The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

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

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability
At June 30, 2019, LETA reported a liability of $11,146,734 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2018, and was determined by an actuarial valuation as of that date.

At June 30, 2018, LETA reported a liability of $10,954,217 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date.

LETA's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2019 and 2018, LETA's proportion was 0.1306% and 0.1260%, respectively.

The total collective OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial methods, assumptions, and other inputs applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method – entry age normal, level percentage of pay
- Estimated Remaining Service Lives – 4.48
- Inflation rate – Consumer Price Index (CPI) 2.8%
- Salary increase rate – consistent with the State of Louisiana's pension plan
- Discount rate – 2.98% based on the June 29, 2018 Standard & Poor's 20-year municipal bond index rate
- Mortality rates – based on the RP-2014 Combined Healthy Mortality Table, or RP-2014 Disabled Retiree Mortality Table; both tables projected on a fully generational basis by Mortality Improvement Scale MP-2017.

- Healthcare cost trend rates – 7% for pre-Medicare eligible employees grading down by 0.25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by 0.25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers the Consumer Price Index, gross domestic product, and technology growth.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% as of July 1, 2017, to 2.98% as of July 1, 2018.

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate

The following presents LETA's proportionate share of the total collective OPEB liability using the current discount rate as well as what LETA's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease (1.98%)	Current Discount Rate (2.98%)	1.0% Increase (3.98%)
Proportionate share of total collective OPEB liability	$ 12,988,042	$ 11,146,734	$ 9,677,447

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents LETA's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates as well as what LETA's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

	1.0% Decrease (6.00%)	Current Cost Trend Rate (7.00%)	1.0% Increase (8.00%)
Proportionate share of total collective OPEB liability	$ 9,689,161	$ 11,146,734	$ 12,979,603

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, LETA recognized OPEB expense of $435,350. At June 30, 2019, LETA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 48,585
Changes in assumptions	-	750,990
Changes in proportion and differences between employer contributions and proportionate share of contributions	323,028	66,626
Employer contributions subsequent to the measurement date	318,266	-
	$ 641,294	$ 866,201

Deferred outflows of resources related to OPEB resulting from LETA's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Period Ended:	Amount
6/30/2020	$ (208,838)
6/30/2021	(208,838)
6/30/2022	(113,118)
6/30/2023	(12,379)
	$ (543,173)

Payables to the OPEB Plan

At June 30, 2019 and 2018, LETA had no outstanding amount of employer contributions to the plan.

10. Pension Liability

Plan Description
LETA is a participating employer in a statewide, public employee retirement system, the Louisiana State Employees' Retirement System ("LASERS"). LASERS has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan, including classes of employees with different benefits and contribution rates ("subplans"). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all subplans administered by LASERS to the State Legislature. LASERS issues a public report that includes financial statements and required supplementary information, and a copy of the report may be obtained at www.lasersonline.org.

Plan Description and Benefits Provided
LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-414. The age and years of creditable service ("service") required in order for a member to receive retirement benefits are established by R.S. 11:441 and vary depending on the member's hire date, employer and job classification. Act 992 of the 2010 Regular Legislative Session closed existing sub-plans for members hired before January 1, 2011, and created new subplans for regular members, hazardous duty members, and judges.

The substantial majority of members may retire with full benefits at any age upon completing 30 years of service and at age 60 upon completing 5-10 years of service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. Eligibility for retirement benefits and the computation of retirement benefits are provided for in R.S. 11:444.

The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of service, generally not to exceed 100% of average compensation. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006, or highest 60 consecutive months of employment for members employed after that date. A member leaving service before attaining minimum retirement but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw the accumulated contributions.

Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. All members with 10 or more years of service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

Provisions for survivor benefits are provided for in R.S. 11:471-478. Under these statutes, the deceased member who was in state service at the time of death must have a minimum of five years of service, at least two of which were earned immediately prior to death, or who has a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18 or age 23 if the child remains a full-time student. The minimum service requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

LASERS has established a Deferred Retirement Option Plan (DROP). When members enter DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

Cost of Living Adjustments
As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by LETA of trustees and approved by the Legislature. These ad hoc COLAs are not considered to be substantively automatic.

Contributions
Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee.

Employer contributions to LASERS for the fiscal year ended June 30, 2019 were $1,211,933 and reported within the balance of deferred outflows of resources – pension plan in the statement of net position. For the fiscal year ended June 30, 2019, active member contributions ranged from 7.5% to 8%, and employer contributions were 37.90%. For the fiscal year ended June 30, 2018, active member contributions ranged from 7.5% to 8%, and employer contributions were 37.90%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
LETA's proportion of the net pension liability was based on a projection of LETA's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2019, LETA reported a liability of $11,116,140 for its proportionate share of the net pension liability with a proportion rate of 0.16300% (a decrease of 0.0105 from the prior measurement date). The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At June 30, 2018, LETA reported a liability of $12,212,510 for its proportionate share of the net pension liability with a proportion rate of 0.17350%. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2019, LETA's recognized pension expense as reported on the statement of activities was $137,141. At June 30, 2019, LETA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 124,656
Changes of assumptions	113,116	-
Net difference between projected and actual actual earnings on pension plan investments	144,139	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,912	532,457
Employer contributions subsequent to the measurement date	1,211,933	-
Total	$ 1,484,100	$ 657,113

Employer contributions subsequent to the measurement date totaled $1,211,933. The balance is reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount
2020	$ 35,429
2021	(108,032)
2022	(271,660)
2023	(40,683)
	$ (384,946)

Actuarial Assumptions
A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal cost
Estimated remaining service life ("ERSL")	3 years
Investment rate of return	7.65% per annum
Inflation rate	2.750%
Salary increases, including inflation and merit increases	3.8% to 12.8%, including inflation
Cost of living adjustments	Not substantively automatic
Mortality rate	
Non-disabled members	Mortality rates based on the RP-2000 Combined Healthy Mortality Table
Disabled members	Mortality rates based on the RP-2000 Disabled Retiree Mortality Table
Termination, disability, and retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return*
Cash	-0.48%
Domestic equity	4.31%
International equity	5.26%
Domestic fixed income	1.49%
International fixed income	2.23%
Alternative investments	7.67%
Risk parity	4.96%
Total fund	5.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net pension liability using the discount rate of 7.65%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.65%) or one percentage-point higher (8.65%) than the current rate:

	1.0% Decrease (6.65%)	Current Discount Rate (7.65%)	1.0% Increase (8.75%)
Employer's proportionate share of the net pension liability	$ 14,029,307	$ 11,116,140	$ 8,607,186

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan
At June 30, 2019 and 2018, LETA had no payables to LASERS for the employee and employer legally-required contributions.

11. Retirement Plan

The Affiliate established a 401 (k) retirement plan (the "Plan") beginning on July 1, 2012. To be eligible to participate in the Plan an employee must be at least twenty one years of age and complete 1,000 hours of service every year. Employer match is discretionary and can be changed from year to year. Employees can contribute between 3% and 10% of compensation and must be uniform for all affected participants. Participants are 100% vested upon entering the Plan.

12. Related Party Transactions

An agreement was entered into between the Component Unit and the Affiliate. Under the terms of this agreement, the Affiliate transfers funds in excess of calculated amounts to the Component Unit to be used to pay for approved expenses. For the year ended June 30, 2019, the Affiliate transferred $1,150,280 to the Component Unit with $312,620 of that amount reported as a related party receivable. For the year ended June 30, 2018, the Affiliate transferred $1,283,157 to the Component Unit with $271,214 of that amount reported as a related party receivable.

The Component Unit was organized to support LETA, the primary government. For the year ended June 30, 2019, the Component Unit provided financial support to LETA totaling $2,010,929, with $136,838 of that amount reported as a related party receivable by LETA and a related party payable by the Component Unit. For the year June 30, 2018, the Component Unit provided financial support to LETA totaling $2,860,274, with $194,754 of that amount recorded as a related party receivable by LETA and a related party payable by the Component Unit.

Employees of LETA perform services for the Component Unit for productions, programming, broadcasting, and administrative services. In return, the Component Unit reimburses LETA for the services performed by those personnel. These transactions are recorded as a reduction in salaries and related benefits in LETA's accounting records and as personnel expenses in the Component Unit's accounting records. For the year ended June 30, 2019, the Component Unit reimbursed LETA $435,821 for personnel expenses with $8,695 of that amount reported as a receivable by LETA and a payable by the Component Unit. For the year ended June 30, 2018, the Component Unit reimbursed LETA $374,838 for personnel expenses.

The Component Unit reimburses LETA for the use of LETA's production, programming, and broadcasting equipment. For the years ended June 30, 2019 and 2018 the Component Unit's equipment rental expense was $286,553 and $343,794, respectively. The balances are reported as rental revenue by LETA.

The Component Unit rents office space from LETA on a monthly basis. Rental revenue from the Component Unit was $8,292 for each of the years ended June 30, 2019 and 2018.

The Affiliate rents office space from LETA on a monthly basis. Rental revenue from the Affiliate was $30,377 each of the years ended June 30, 2019 and 2018.

13. Contingency

LETA and the Component Unit participates in a number of federal and state programs. These programs require LETA and the Component Unit to comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government and contracts by government agencies is presently not determinable, should not, in the opinion of management, have a material effect on the financial position or results of operations. Accordingly, no provision for any such liability that may result has been made in the accompanying financial statements.

14. Risk Management

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by General Fund appropriation.

There is no pending litigation or claims against LETA at June 30, 2019, which if asserted, in the opinion of LETA's legal advisors, would have at least a reasonable probability of an unfavorable outcome or for which resolution would materially affect the financial statements.

15. Concentrations

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

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

LETA received general fund appropriations from the State of Louisiana totaling $6,184,449 and $5,532,059 for the years ended June 30, 2019 and 2018, respectively.

The Component Unit received revenue totaling $1,914,783 and $1,823,879 for the years ended June 30, 2019 and 2018, respectively, from the Corporation for Public Broadcasting.

16. Subsequent Events

LETA evaluated subsequent events through January 10, 2020, which was the date the financial statements were available to be issued.

Required Supplementary Information

Louisiana Educational Television Authority
Schedule of Budgetary Comparison – General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Items and Adjustments	Budgetary Basis	Favorable (Unfavorable)
Revenues						
State appropriations	$ 5,815,066	$ 6,381,004	$ 6,184,449	$ 150,000	$ 6,334,449	$ (46,555)
Grants and contributions	-	-	131,400	(131,400)	-	-
Support from component unit	-	-	2,010,929	(2,010,929)	-	-
Projects and local productions	2,882,190	3,011,190	82,905	2,710,455	2,793,360	(217,830)
Lease and rental revenues	-	-	476,686	(476,686)	-	-
	8,697,256	9,392,194	8,886,369	241,440	9,127,809	(264,385)
Expenditures						
Programming and production	3,064,304	3,338,445	2,557,601	2,052	2,559,653	778,792
Broadcasting	3,952,036	4,315,229	5,452,200	183,045	5,635,245	(1,320,016)
Program information	340,479	370,087	283,616	40,004	323,620	46,467
Management and general	1,340,437	1,368,433	1,034,534	69,731	1,104,265	264,168
	8,697,256	9,392,194	9,327,951	294,832	9,622,783	(230,589)
Excess (deficiency) of revenues over expenditures	-	-	(441,582)	(53,392)	(494,974)	(494,974)
Fund balances, beginning of year			311,898		(2,512,154)	
Fund balances, end of year			$ (129,684)		$ (3,007,128)	

See independent auditor's report.

Louisiana Educational Television Authority
Schedule of Employer's Proportionate Share of the Total Collective OPEB Liability
For the Year Ended June 30, 2019

Measurement Date	Proportion of the Total Collective OPEB Liability	Proportionate Share of the Total Collective OPEB Liability	Covered Employee Payroll	Proportionate Share of the Total Collective OPEB Liability as Percentage of the Covered Employee Payroll
June 30, 2016	0.1260%	$ 11,435,950	$ 3,455,704	330.93%
June 30, 2017	0.1260%	10,954,217	3,026,360	361.96%
June 30, 2018	0.1306%	11,146,734	3,207,924	347.48%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Louisiana Educational Television Authority
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2019

Fiscal Year*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.20725%	$ 12,959,055	$ 3,818,137	339%	65.0%
2016	0.19769%	13,445,836	3,829,130	351%	62.7%
2017	0.17559%	13,788,374	3,510,761	393%	57.7%
2018	0.17350%	12,212,510	3,234,841	378%	62.5%
2019	0.16300%	11,116,140	3,154,373	352%	64.3%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Louisiana Educational Television Authority
Schedule of Employer's Pension Contributions
For the Year Ended June 30, 2019

Fiscal Year*	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	$ 1,416,778	$ 1,416,778	$ -	$ 3,829,130	37.0%
2016	1,306,003	1,306,003	-	3,510,761	37.2%
2017	1,188,566	1,188,566	-	3,320,017	35.8%
2018	1,203,177	1,203,177	-	3,176,020	37.9%
2019	1,211,933	1,211,933	-	3,197,712	37.9%

*Amounts presented were determined as of the end of LETA's fiscal year.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Pension Plan

Changes of Benefit Terms
A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

Changes of Assumptions
The discount rate used in actuarial assumptions decreased from 7.70% in the June 30, 2017 valuation to 7.65% in the June 30, 2018 valuation.

Measurement Date
The amounts presented within the Schedule of Employer's Share of Net Pension Liability have a measurement date of the previous fiscal year end.

OPEB Schedules

There are no assets accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement 75 to pay related benefits.

Changes of Assumptions
The discount rate has been decreased from 3.13% to 2.98% since the previous valuation. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates of 2.98% and 3.13% are based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2018 and June 30, 2017, respectively. The discount rate used in the GASB 45 valuation was selected by the plan sponsor.

Changes in Population
From the July 1, 2017 valuation date to the July 1, 2018 valuation date, the number of active employees increased from 48 to 49.

Other Supplementary Information

Louisiana Educational Television Authority
Combining Statement of Functional Expenditures
For the Year Ended June 30, 2019

	Program Services				Supporting Services				
	Programming and Production	Broadcasting	Program Information	Support to Related Party	Management and General	Fundraising	Total	Intercompany Eliminations	Total Combined
Primary Government									
Operating services	$ 610,012	$ 737,590	$ 67,217	$ -	$ 185,563	$ -	$ 1,600,382	$ -	$ 1,600,382
Professional services	-	-	-	-	24,595	-	24,595	-	24,595
Rents and leases	-	567,895	-	-	-	-	567,895	-	567,895
Personnel	1,560,728	1,734,142	173,414	-	660,625	-	4,128,909	-	4,128,909
Travel	456	507	51	-	193	-	1,207	-	1,207
	2,171,196	3,040,134	240,682	-	870,976	-	6,322,988	-	6,322,988
Component Unit									
Operating services	2,472,182	425,674	49,116	2,010,929	327,441	-	5,285,342	(2,010,929)	3,274,413
Professional services	224,517	-	36,201	-	85,100	-	345,818	-	345,818
Rents and leases	286,553	-	-	-	74,896	-	361,449	(352,086)	9,363
Personnel	175,505	-	-	-	260,316	-	435,821	-	435,821
Travel	33,522	4,411	-	-	6,175	-	44,108	-	44,108
	3,192,279	430,085	85,317	2,010,929	753,928	-	6,472,538	(2,363,015)	4,109,523
Affiliate									
Operating services	-	-	-	1,150,280	37,035	644,822	1,832,137	(1,150,280)	681,857
Professional services	-	-	-	-	13,659	1,285	14,944	-	14,944
Rents and leases	-	-	-	-	30,376	-	30,376	(30,376)	-
Personnel	-	-	-	-	150,710	344,597	495,307	-	495,307
Travel	-	-	-	-	-	4,333	4,333	-	4,333
	-	-	-	1,150,280	231,780	995,037	2,377,097	(1,180,656)	1,196,441
Combined									
Operating services	3,082,194	1,163,264	116,333	3,161,209	550,039	644,822	8,717,861	(3,161,209)	5,556,652
Professional services	224,517	-	36,201	-	123,354	1,285	385,357	-	385,357
Rents and leases	286,553	567,895	-	-	105,272	-	959,720	(382,462)	577,258
Personnel	1,736,233	1,734,142	173,414	-	1,071,651	344,597	5,060,037	-	5,060,037
Travel	33,978	4,918	51	-	6,368	4,333	49,648	-	49,648
	$ 5,363,475	$ 3,470,219	$ 325,999	$ 3,161,209	$ 1,856,684	$ 995,037	$ 15,172,623	$ (3,543,671)	$ 11,628,952

See independent auditor's report.

Louisiana Educational Television Authority
Schedule of Direct Revenues
For the Year Ended June 30, 2019

Source of Income	Primary Government	Component Unit	Affiliate	Total
Amounts provided by Public Broadcasting Entities				
CPB - Community Service Grants	$ -	$ 1,726,146	$ -	$ 1,726,146
CPB - all other funds from CPB	-	282,390	-	282,390
PBS - all payments except copyright royalties	-	81,456	-	81,456
Public broadcasting stations - all payments	-	10,405	-	10,405
	-	2,100,397	-	2,100,397
Local boards and departments of education				
NFFS Eligible				
Program and production underwriting	-	-	-	-
Other income eligible as NFFS				
Educational programming	-	484,903	-	484,903
Sale of recordings	-	510	-	510
	-	485,413	-	485,413
State boards and departments of education				
NFFS Eligible				
Program and production underwriting	-	1,500	-	1,500
Grants and contributions other than underwriting	6,184,449	-	-	6,184,449
Other income eligible as NFFS				
Sale of recordings	-	-	-	-
Educational programming and productions	-	11,028	-	11,028
	6,184,449	12,528	-	6,196,977
NFFS Ineligible				
Rental income	7,284	-	-	7,284
Fees for services	131,400	68,840	-	200,240
Insurance proceeds	-	-	-	-
	138,684	68,840	-	207,524
	6,323,133	81,368	-	6,404,501
Foundations and nonprofit associations				
NFFS Eligible				
Program and production underwriting	-	20,887	-	20,887
Grants and contributions other than underwriting	-	12,000	-	12,000
Other income eligible as NFFS				
Educational Programming	-	77,827	-	77,827
	-	110,714	-	110,714
NFFS Ineligible				
Rental income	2,400	-	-	2,400
Fees for services	-	68,070	-	68,070
Other income ineligible for NFFS inclusion				
Sale of recordings	-	1,958	-	1,958
	2,400	70,028	-	72,428
	2,400	180,742	-	183,142

Louisiana Educational Television Authority
Schedule of Direct Revenues *(Continued)*
For the Year Ended June 30, 2019

	Primary Government	Component Unit	Affiliate	Total
Business and Industry				
NFFS Eligible				
Program and production underwriting	$ -	$ 213,121	$ -	$ 213,121
Grants and contributions other than underwriting	-	6,890	-	6,890
Gifts and grants received through a capital campaign but not for	-	-	-	-
Other income eligible as NFFS (specify)	-	-	-	-
	-	220,011	-	220,011
NFFS Ineligible				
Rental income	151,464	85,848	-	237,312
Fees for services	73,221	67,846	-	141,067
Licensing fees	-	-	-	-
Other income ineligible for NFFS inclusion				
Sale of recordings	-	-	-	-
	224,685	153,694	-	378,379
	224,685	373,705	-	598,390
Memberships and subscriptions				
(less than $1,000 per individual donor)	-	-	1,519,277	1,519,277
Form of Revenue				
Special fundraising activities				
Gross special fundraising revenues	-	-	262,616	262,616
Direct special fundraising expenses	-	-	126,722	126,722
Passive income				
Interest and dividends	51,461	1,279,242	2,721	1,333,424
Royalties	-	83,319	-	83,319
	51,461	1,362,561	2,721	1,416,743
Gains and losses on investments				
Realized gains/losses on investments	-	641,691	-	641,691
Unrealized gains (losses) on investments	-	(375,884)	-	(375,884)
	-	265,807	-	265,807
Endowment revenue				
Interest and dividends on endowment funds	-	169,897	-	169,897
Realized net investment gains on endowment funds	-	87,503	-	87,503
Unrealized investment losses on endowment funds	-	(51,257)	-	(51,257)
	-	206,143	-	206,143
Gifts and bequests from major individual donors				
(more than $1,000 per individual donor)	-	-	597,807	597,807
Other Direct Revenue				
Individual contribution (eligible)	-	3,000	-	3,000
Sales of products and services to individuals (not eligible)		20,619	-	20,619
	-	23,619	-	23,619
Proceeds from FCC				
Spectrum repacking funds	-	1,546,664	-	1,546,664
	-	1,546,664	-	1,546,664
Total Revenue	$ 6,601,679	$ 6,626,419	$ 2,382,421	$ 15,610,519

Louisiana Educational Television Authority
Schedule of Direct Revenues *(Continued)*
For the Year Ended June 30, 2019

	Primary Government	Component Unit	Affiliate	Total
Total Revenue	$ 6,601,679	$ 6,626,419	$ 2,382,421	$ 15,610,519
Adjustments to Revenue				
Public broadcasting revenue	-	2,100,397	-	2,100,397
Revenue on line 20 not meeting the source, form, purpose, or recipient criteria	-	20,619	-	20,619
Other automatic subtractions from total revenue				
Auction Expenses - limited to the lesser of lines 13A or 13B				
Special fundraising event expenses	-	-	126,722	126,722
Gains from sales of property and equipment - line 16A				
Realized gains/losses on investments	-	641,691	-	641,691
Unrealized investment gains/losses	-	(375,884)	-	(375,884)
Realized and unrealized net investment gains/losses on endowment funds	-	36,246	-	36,246
Rental income	161,148	85,848	-	246,996
Fees for services	204,621	204,756	-	409,377
Other revenue ineligible as NFFS	-	1,958	-	1,958
Proceeds from spectrum related revenues	-	1,546,664	-	1,546,664
	365,769	4,262,295	126,722	4,754,786
Total Direct Nonfederal Financial Support	$ 6,235,910	$ 2,364,124	$ 2,255,699	$ 10,855,733

Louisiana Educational Television Authority
Schedule of Expenses
For the Year Ended June 30, 2019

PROGRAM SERVICES	
Programming and productions	
TV CSG	$ 1,064,750
TV Interconnection	31,246
Other CPB Funds	153,603
All Non-CPB Funds	3,761,790
	5,011,389
Broadcasting and engineering	
TV CSG	39,206
All Non-CPB Funds	3,431,013
	3,470,219
Program information and promotion	
TV CSG	61,414
Other CPB Funds	101,898
All Non-CPB Funds	162,687
	325,999
SUPPORT SERVICES	
Management and general	
TV CSG	440,191
All Non-CPB Funds	1,265,692
	1,705,883
Fundraising and membership development	
All Non-CPB Funds	995,037
	995,037
Underwriting and grant solicitation	
TV CSG	120,425
	120,425
	$ 11,628,952

See independent auditor's report.

Louisiana Educational Television Authority
Schedule of Expenses *(Continued)*
For the Year Ended June 30, 2019

TOTAL EXPENSES		
Total TV CSG	$	1,725,986
Total TV Interconnection		31,246
Total Other CPB Funds		255,501
Total All non-CPB Funds		9,616,219
		11,628,952
INVESTMENT IN CAPITAL ASSETS		
Total capital assets purchased or donated		
Equipment		
Capital assets purchased for the benefit of the State of Louisiana		1,982,728
Capital assets purchased by the Affiliate		3,860
		1,986,588
	$	13,615,540
ADDITIONAL INFORMATION		
Total expenses (direct only)	$	11,628,952
Investment in capital assets (direct only)		1,986,588
	$	13,615,540

Louisiana Educational Television Authority
Revenue Reconciliation
For the Year Ended June 30, 2019

DATA FROM COMBINED FINANCIAL STATEMENTS

Combined Statement of Activities - Revenues		
Charges for services	$	1,874,851
Operating grants and contributions		5,973,001
Capital grants and contributions		-
Other revenues		11,249,098
	$	19,096,950

DATA FROM CPB ANNUAL FINANCIAL REPORT

Schedule A - Direct Revenue		
Total revenue from line 22	$	15,610,519
Reconciling Items		
Financial support provided by related parties eliminated for the CPB Annual Financial Report		3,161,209
Rent and lease fees charged to related parties eliminated for the CPB Annual Financial Report		325,222
	$	19,096,950

See independent auditor's report.

Reports Required by Government Auditing Standards

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund, of the Louisiana Educational Television Authority ("LETA"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise LETA's basic financial statements, and have issued our report thereon dated January 10, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Pinell & Martinez, llc

Covington, Louisiana
January 10, 2020

Louisiana Educational Television Authority
Schedule of Findings
For the Year Ended June 30, 2019

A. Summary of Auditor's Reports

a. Financial Statements

Type of auditor's report issued: Unmodified

b. Internal control over financial reporting:

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

c. Noncompliance material to financial statements noted

Noncompliance material to financial statements noted	____ yes	✓ no

B. Findings in Accordance with *Government Auditing Standards*

None noted.

Louisiana Educational Television Authority
Schedule of Prior Year Findings
For the Year Ended June 30, 2019

A. Findings in Accordance with *Government Auditing Standards*

None