Consolidated Financial Report

Greater New Orleans Educational Television Foundation and Subsidiaries

June 30, 2014

wyes new orleans

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

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Consolidated Financial Report

Greater New Orleans Educational Television Foundation and Subsidiaries

June 30, 2014 and 2013

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Greater New Orleans Educational Television Foundation,
New Orleans, Louisiana.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Greater New Orleans Educational Television Foundation (a non-profit organization) and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audit 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 the evaluation of the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Greater New Orleans Educational Television Foundation and Subsidiaries as of June 30, 2014, and the consolidated changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Greater New Orleans Educational Television Foundation and Subsidiaries' 2013 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 3, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information (Schedules 1 through 3) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 6, 2014 on our consideration of Greater New Orleans Educational Television Foundation and Subsidiaries' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Greater New Orleans Educational Television Foundation and Subsidiaries' internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.
November 6, 2014.

Exhibit A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Greater New Orleans Educational Television Foundation and Subsidiaries

June 30, 2014
(with comparative totals for 2013)

	2014	2013
Assets		
Cash and cash equivalents	$ 968,181	$ 374,337
Restricted cash	1,271,367	925,976
Accounts receivable, net	638,658	974,511
Capital campaign pledges receivable, net of allowances	620,857	985,726
Note receivable	7,049,176	6,827,273
Prepaid expenses and deposits	55,996	10,651
Investments	4,386,616	4,327,265
Property and equipment, net of accumulated depreciation	9,802,573	10,877,472
Total assets	$ 24,793,424	$ 25,303,211
Liabilities		
Accounts payable and accrued expenses	$ 594,798	$ 713,674
Notes payable to bank	1,584,153	2,109,223
Deferred revenue	2,464,502	1,982,917
Note payable - Community Development Entity	8,000,000	8,000,000
Total liabilities	12,643,453	12,805,814
Net Assets		
Unrestricted	9,309,863	9,426,431
Temporarily restricted	1,892,224	2,123,082
Permanently restricted	947,884	947,884
Total net assets	12,149,971	12,497,397
Total liabilities and net assets	$ 24,793,424	$ 25,303,211

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended June 30, 2014
(with comparative totals for 2013)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2014	Totals 2013
Support and Revenues					
Support:					
Contributions	$ 1,865,792	$ 134,476	$ -	$ 2,000,268	$ 2,993,984
Grants from the Corporation for Public Broadcasting	604,524	-	-	604,524	491,519
Other grants	208,772	-	-	208,772	54,748
Other support	333,556	-	-	333,556	115,793
In-kind support	585,013	-	-	585,013	271,266
Revenues:					
Auction sales, net	1,858	-	-	1,858	301,785
Miscellaneous sales, net	20,661	-	-	20,661	12,556
Contract and production services	5,016,253	-	-	5,016,253	6,814,394
Investment income	965,790	-	-	965,790	884,149
Tax credit - motion picture investor	104,010	-	-	104,010	-
Total support and revenues	9,706,229	134,476	-	9,840,705	11,940,194
Net assets released from restrictions: expiration of time and purpose restrictions	365,334	(365,334)	-	-	-
Total support and revenues	10,071,563	(230,858)	-	9,840,705	11,940,194
Expenses					
Program services	7,763,918	-	-	7,763,918	9,328,796
Management and general	1,444,163	-	-	1,444,163	1,336,575
Development	980,050	-	-	980,050	875,592
Total expenses	10,188,131	-	-	10,188,131	11,540,963
Increase (Decrease) in Net Assets	(116,568)	(230,858)	-	(347,426)	399,231
Net Assets					
Beginning of year	9,426,431	2,123,082	947,884	12,497,397	12,098,166
End of year	$ 9,309,863	$ 1,892,224	$ 947,884	$ 12,149,971	$ 12,497,397

See notes to consolidated financial statements.

Exhibit C

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended June 30, 2014
(with comparative totals for 2013)

		Supporting Services		Total Expenses	
	Program Services	Management and General	Development	2014	2013
Advertising	$ 17,832	$ 2,681	$ 10,377	$ 30,890	$ 19,754
Board of trustees' expenses	-	2,473	-	2,473	2,438
Building and grounds maintenance	-	37,896	-	37,896	62,253
Building rental	-	103,310	-	103,310	143,535
Capital campaign expense	-	69,066	-	69,066	82,534
Direct mail solicitation	-	-	45,040	45,040	62,431
Employee travel and other personnel costs	466,130	13,264	3,928	483,322	685,110
Equipment rental and maintenance cost	675,123	39,202	18,265	732,590	1,038,744
Income taxes	-	7,030	-	7,030	36,162
Insurance	149,244	148,106	458	297,808	331,186
Interest	-	221,797	-	221,797	227,635
Membership premiums	-	-	117,296	117,296	93,231
Office supplies	18,722	10,832	7,253	36,807	56,253
Other expenses	67,774	44,917	159,799	272,490	249,666
Postage and shipping	16,989	1,329	43,679	61,997	63,240
Printing	123,713	-	22,637	146,350	73,304
Production costs	40,054	91	6,012	46,157	173,517
Professional services	218,918	311,016	103,743	633,677	438,565
Program rental fees	740,588	-	-	740,588	654,434
Salaries, payroll taxes, and employee benefits	3,217,458	360,478	369,841	3,947,777	4,714,643
Taxes - other	-	217	-	217	1,721
Telephone	27,316	14,041	4,022	45,379	64,101
Tower and transmission equipment rental	439,401	-	-	439,401	202,865
Utilities	130,236	-	-	130,236	147,590
	6,349,498	1,387,746	912,350	8,649,594	9,624,912
Depreciation and amortization	1,414,420	56,417	67,700	1,538,537	1,916,051
Total functional expenses	$ 7,763,918	$ 1,444,163	$ 980,050	$ 10,188,131	$ 11,540,963

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended June 30, 2014
(with comparative totals for 2013)

	2014	2013
Cash Flows From Operating Activities		
Increase (decrease) in net assets	$ (347,426)	$ 399,231
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,538,537	1,916,051
Realized and unrealized gains on investments	(506,505)	(507,016)
(Increase) decrease in operating assets:		
Accounts receivable and unconditional promises to give	335,853	(65,209)
Note receivable - accrued interest	(221,903)	(182,451)
Prepaid expenses and deposits	(45,345)	33,697
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(271,638)	77,483
Deferred revenue	481,585	(15,000)
Revenues restricted for the acquisition of property and equipment:		
Capital campaign contributions, net of unamortized discount	(134,476)	(1,282,082)
Net cash provided by operating activities	828,682	374,704

	2014	2013
Cash Flows From Investing Activities		
Purchases of property and equipment, net of tax credits	(310,876)	(1,590,352)
Proceeds from sales and maturities of investments	1,277,902	5,036,099
Purchases of investments	(830,748)	(5,105,508)
Net cash provided by (used in) investing activities	136,278	(1,659,761)
Cash Flows From Financing Activities		
New borrowings	-	650,000
Payments on notes payable	(525,070)	(672,414)
Collections of capital campaign support	499,345	580,509
Net cash provided by (used in) financing activities	(25,725)	558,095
Net Increase (Decrease) in Cash, Restricted Cash, and Cash Equivalents	939,235	(726,962)
Cash and Cash Equivalents		
Beginning of year	1,300,313	2,027,275
End of year	$ 2,239,548	$ 1,300,313

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Greater New Orleans Educational Television Foundation and Subsidiaries

June 30, 2014 and 2013

Note 1 - NATURE OF ACTIVITIES

WYES-TV is a community-owned, nonprofit public television station serving metropolitan New Orleans, southeastern Louisiana, and Mississippi Gulf Coast regions. Affiliated with the Public Broadcasting Service, WYES-TV is licensed to the Greater New Orleans Educational Television Foundation and governed by a board of trustees comprised of civic-minded individuals and distinguished community leaders.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Income Taxes

The Greater New Orleans Educational Television Foundation (the "Foundation") is a nonprofit corporation organized under the laws of the State of Louisiana to provide educational television broadcast service to the New Orleans area. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S. 47:121(5). Net operating profits from unrelated business income are subject to Federal income tax.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2014 and 2013, management believes the Foundation and its Subsidiaries have no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Tax years ended June 30, 2011 and later remain subject to examination by taxing authorities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Organization and Income Taxes (Continued)

Effective July 1, 1982, the Foundation incorporated a wholly-owned subsidiary, Yescom Enterprises, Inc. ("Yescom"). The purpose of this corporation is to engage primarily in providing remote production services to third parties on a for-profit basis. All revenues generated by Yescom are dedicated to the Foundation and are used to fulfill the Foundation's exempt purpose.

John Besh's My New Orleans, L.L.C. ("Besh"), wholly owned by the Foundation, and was founded in February 2010 to aid in the production of a television series.

On April 7, 2011, WYES-GO, LLC ("WYES GO") was established to operate exclusively for the benefit of the Greater New Orleans Educational Television Foundation, to support the production and management of public television and related activities of the Foundation, and to facilitate the New Markets Tax Credit transaction as described in Note 13. WYES-GO is owned 90% by the Foundation and 10% by an unrelated entity.

YES/BESH SEASON 2, LLC ("Yes/Besh") is wholly owned by the Foundation, and was founded in February 2012 to aid in the production of a television series.

YESCOM, BESH, WYES GO, and YES/BESH are collectively the "Subsidiaries".

b. 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

c. Basis of Accounting

The consolidated financial statements of the Greater New Orleans Educational Television Foundation and Subsidiaries are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Basis of Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and Subsidiaries and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor - imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

e. Consolidation

The accompanying consolidated financial statements present the combined assets, liabilities, and net assets of the Foundation and its Subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

f. Cash and Cash Equivalents

The Foundation and its Subsidiaries consider investments in money market funds to be cash equivalents, except for money market funds maintained in investment brokerage accounts which are reported as investments (see Note 9).

g. Restricted Cash

The Foundation and its Subsidiaries have restricted cash balances that consist of contributions collected and restricted for the acquisition of property and equipment.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Investments

Investments in marketable securities, including mutual funds, common stocks, certificates of deposits, and other investments are carried at fair market value in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Consolidated Statement of Activities. Unrealized gains and losses on investments are recorded as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Interest earned on donor restricted investments is reported based on the existence or absence of donor-imposed restrictions. Realized gains and losses on the sales of securities are determined using the specific-identification method. A decline in the fair value of investments below cost that is deemed to be other than temporary, results in a charge to the change in net assets, and the establishment of a new cost basis for the investment.

i. Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

j. Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

k. Allowance for Uncollectible Accounts

The Foundation and its Subsidiaries provide for estimated uncollectible accounts receivable on a specific account basis as determined by management. Accounts receivable are comprised principally of balances due from third parties for remote production services. The allowance for doubtful accounts was $14,725 and $44,035 as of June 30, 2014 and 2013, respectively.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Allowance for Uncollectible Accounts (Continued)

The Foundation provides for estimated uncollectible pledges receivable (unconditional promises to give) based on management's analysis of specific promises made. Management believes all accounts are collectible, and there was no balance for the allowance for uncollectible capital campaign pledges receivable as of June 30, 2014 and June 30, 2013.

l. Property and Equipment

The Foundation and its Subsidiaries record all property and equipment acquisitions at cost except for those received through donation, which are recorded at estimated value as of the date of donation. Such donations are reported as unrestricted support. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation and its Subsidiaries report expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. The Foundation and its Subsidiaries reclassify temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment acquired with funds received through grants or contributions which stipulate a time period for the asset to be maintained are reported as temporarily restricted net assets. Temporarily restricted net assets are reclassified to unrestricted net assets for expiration of time restrictions as the assets are depreciated or the time period expires.

Repairs and maintenance are charged to expense as incurred; major renewals, replacements, and betterments are capitalized. Depreciation and amortization are determined using the straight-line method and are intended to write-off the cost of the property and equipment over their estimated useful lives which range from five to 39 years.

m. In-Kind Support

On June 8, 1970, the Foundation exchanged operating frequencies with WVUE, a station owned and operated at that time by Screen Gems Broadcasting of Louisiana, Inc. Emmis Televisions Broadcasting, L.P. acquired the transmitter facilities and assumed the rights and obligations of the original exchange agreement. The exchange agreement required certain items of compensation to be paid to the Foundation. On November 30, 2003, the existing agreement was terminated by a

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. In-Kind Support (Continued)

new agreement under which the Foundation was paid a buyout payment of $3,500,000 (see Note 2n) and a new antenna and transmission line, owned by the Foundation, was constructed. The Foundation will continue to receive the substantially free lease on the transmittal facilities, which is $1 per year for twenty years through November 30, 2023 (see Note 15). The Foundation's policy is to record the appraised rental value as revenue and recognize a corresponding amount as an expense of fulfilling its exempt purposes. An independent appraisal was used to establish the value of this lease.

The Foundation records the value of the substantially free use of the land occupied by its studio and office building and recognizes a similar amount as expense.

Beginning in July of 2004, grant money was transferred to Louisiana Public Broadcasting ("LPB") under a cooperative endeavor agreement. This grant money was used by LPB to purchase transmission equipment to be used by the Foundation. The use of the transmission equipment is at no cost to the Foundation, other than general maintenance, as long as the mission of public broadcasting does not change. In return, the State of Louisiana owns and insures the equipment. The estimate of the annual in-kind contributions and rental expense is $319,401 and $82,865 for the years ended June 30, 2014 and 2013, respectively.

n. Deferred Revenue

The Foundation received $3,500,000 under an agreement with Emmis Televisions Broadcasting, L.P. for the exchange of operating frequencies with WVUE which covers a twenty year period ending in 2023 (see Note 2(m)). This amount is being amortized on a straight line basis over the life of the agreement, which makes the Foundation responsible for the payment of the operating expenses of the transmittal facilities. Deferred revenue related to this agreement as of June 30, 2014 and 2013 approximated $1,648,000 and $1,823,000, respectively. Other deferred revenues totaled $716,585 and $160,000 as of June 30, 2014 and 2013, respectively.

o. Program Rental Fees

Costs incurred for the acquisition of programs are amortized on a straight-line basis over the period of time in which the Foundation has rights to broadcast the programs as specified in the lease agreements with the program distributors.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Unemployment Benefits

In lieu of unemployment tax contributions, the Foundation has elected under the Louisiana Employment Security Law to reimburse the State of Louisiana for benefits paid by the State and charged against the account of the Foundation. The Foundation recognizes this expense in the period for which the benefits are billed by the State. The Subsidiaries pay unemployment taxes based on statutory rates on wages paid.

q. Allocated Expenses

The costs of providing the various programs and other activities are summarized in the Consolidated Statement of Functional Expenses. Certain expenses have been allocated among the programs and supporting services based on management's estimate of the costs involved.

r. Subsequent Events

Management evaluates events occurring subsequent to the date of consolidated financial statements in determining the accounting for and disclosure of transactions and events that effect the consolidated financial statements. Subsequent events have been evaluated through November 6, 2014, which is the date the consolidated financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Foundation and its Subsidiaries maintain cash balances at several local financial institutions where they are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. As of June 30, 2014, cash deposits in excess of the insured limits were approximately $1,902,000.

Note 4 - RESTRICTIONS ON ASSETS

Temporarily restricted and permanently restricted net assets are restricted by donors for specific purposes or designated for subsequent periods. Cash and investments raised through the capital campaigns are restricted for the acquisition of property and equipment. Restrictions on such funds are considered to expire when payment for the designated purpose is made.

In prior years, the Foundation was awarded two grants by the U.S. Department of Commerce Public Telecommunications Facilities Program which funded certain percentages of the cost of new equipment. The terms of these grants provide for repayment under certain conditions which generally relate to a change in ownership from nonprofit to proprietary or changes in uses of assets acquired with grant funds. The restrictions apply during a ten-year period beginning on the date of the grant. All of these restricted periods have expired.

Temporarily restricted net assets as of June 30, 2014 and 2013 are available for the following purposes or periods:

	2014	2013
Capital campaign	$ 1,892,224	$ 1,877,301
Yes/Besh	-	240,031
Contributions due for subsequent periods	-	5,750
Totals	$ 1,892,224	$ 2,123,082

Permanently restricted net assets are endowment principal of $947,884, which includes cash and investments.

Note 5 - LIMITED USE ASSETS

Pursuant to the 2011 issuance of the New Markets Tax Credits Financing Commitment (as described in Note 13) between the Foundation, its Subsidiaries, and Capital One Bank, the Foundation is required to maintain certain funds until disbursements are approved by the bank. These funds are restricted for the construction of the facilities damaged during Hurricane Katrina. All funds were fully disbursed during 2013, as the construction was completed.

The Foundation maintains a separate bank account for the new capital campaign (Note 7). The balance as of June 30, 2014 and 2013 was $1,271,367 and 925,976, respectively.

Note 6 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of amounts due from membership drives and program underwriting and are restricted for subsequent periods. All amounts are due within one year. As of June 30, 2014, no funds were outstanding. As of June 30, 2013, $5,750 was outstanding, which is included in accounts receivable on the Consolidated Statement of Financial Position, and was fully received in 2014.

Note 7 - CAPITAL CAMPAIGN PLEDGES RECEIVABLE/ FUNDS HELD FOR OTHERS

During the year ended June 30, 2002, the Foundation entered into a capital campaign. The purpose of the campaign is to raise funds to build and furnish a digital broadcasting center, and to purchase digital broadcasting equipment. The balance of pledges receivable of $20,000 as of June 30, 2013 was received in 2014.

During the year ended June 30, 2012, the Foundation entered into Capital Campaign Phase II. The purpose of the campaign is to raise $4,500,000 for the construction of an administration building that will house programming, educational outreach, local and national productions, volunteers, public information, membership and special events, and Foundation personnel. The balance of pledges receivable which are all deemed collectible by management, totaled $620,857 and $965,726 as of June 30, 2014 and 2013, respectively. As of June 30, 2014, the Foundation has raised pledges totaling $1,955,979. The Foundation has discounted the value of future pledges receivables by using an effective interest rate of 5%.

Pledges receivables are as follows:

	2014	2013
Pledges receivable at beginning of year	$ 1,047,170	$ 294,312
New pledges made during the year	96,904	1,333,367
Less:		
Cash received	(499,345)	(580,509)
Pledges receivable at end of year	644,729	1,047,170
Unamortized discount	(23,872)	(61,444)
Totals	$ 620,857	$ 985,726

Note 7 - CAPITAL CAMPAIGN PLEDGES RECEIVABLE/ FUNDS HELD FOR OTHERS (Continued)

	2014	2013
Amounts due in:		
Less than one year	$ 332,960	$ 291,932
One to five years	311,769	755,238
	$ 644,729	$ 1,047,170

Note 8 - NOTE RECEIVABLE

The Foundation entered into an agreement on May 31, 2011, to lend to COCRF Investor I, LLC a maximum aggregate amount of $6,420,000. The note is secured by certain funds on deposit at a local financial institution. The outstanding principal and accrued interest as of June 30, 2014 and 2013 totaled $7,049,176 and $6,827,273, respectively. The note accrues interest at the rate of approximately 4.8% per annum. Interest payments in the amount of 2% are paid semi-annually on March 31st and September 30th. The unpaid interest of 2.8% on the outstanding principal will continue to accrue through the maturity date of May 31, 2018. Upon its maturity, all outstanding principal and interest on the note will be paid.

Interest earned on this note for the year ended June 30, 2014 was approximately $352,000, of which approximately $130,000 was collected and $222,000 was added to the balance of the note receivable. As of June 30, 2014, approximately $629,000 of accrued interest is included in the note receivable balance. Interest earned on this note for the year ended June 30, 2013 was approximately $312,000, of which approximately $129,000 was collected and $183,000 was added to the balance of the note receivables. As of June 30, 2013, approximately $407,000 of accrued interest is included in the note receivable balance.

Note 9 - INVESTMENTS

Investments are stated at fair market value as of June 30, 2014 and 2013 and consist of the following:

	2014	
Description	Cost	Market Value
Equity securities	$ 2,771,435	$ 3,306,280
Corporate bonds and U.S. Government Agency obligations	931,138	932,906
Mutual funds	40,125	56,303
Money market funds	91,127	91,127
Total investments	$ 3,833,825	$ 4,386,616

	2013	
Description	Cost	Market Value
Equity securities	$ 2,928,021	$ 3,100,615
Corporate bonds and U.S. Government Agency obligations	1,013,000	995,469
Mutual funds	36,032	47,021
Money market funds	184,160	184,160
Total investments	$ 4,161,213	$ 4,327,265

Investment return for the year ended June 30, 2014 is summarized as follows:

	Cost	Market Value	Excess of Market Value Over Cost
Balances as of June 30, 2014	$ 3,833,825	$ 4,386,616	$ 552,791
Balances as of June 30, 2013	$ 4,161,213	$ 4,327,265	166,052
Increase in unrealized appreciation			$ 386,739

Interest and dividend income, net (including interest on note receivable)	$ 459,285
Unrealized gain for the year	386,739
Realized gain, net	119,766
Investment income, net	$ 965,790

Note 9 - INVESTMENTS (Continued)

Investment return for the year ended June 30, 2013 is summarized as follows:

	Cost	Market Value	Excess of Market Value Over Cost
Balances as of June 30, 2013	$ 4,161,213	$ 4,327,265	$ 166,052
Balances as of June 30, 2012	$ 3,378,115	$ 3,750,840	372,725
Decrease in unrealized appreciation			$ (206,673)

Interest and dividend income, net (including interest on note receivable)	$ 377,133
Unrealized loss for the year	(206,673)
Realized gains, net	713,689
Investment income, net	$ 884,149

Note 10 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation 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.

Note 10 - FAIR VALUE MEASUREMENTS (Continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

- *Equity securities, mutual funds, and money market funds*: Valued at quoted market prices, which represent the net asset value per unit. These are included in Level 1 of the fair value hierarchy.

- *Corporate bonds and U.S. Government Agency obligations*: Valued at the closing price reported on the active market on which the individual securities are traded. These are included in Level 1 of the fair value hierarchy.

- *Real Estate Investment Trust:* Assets are values at their fair value which approximates their estimated appraised values. These are included in Level 3 of the fair value hierarchy.

The methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 10 - FAIR VALUE MEASUREMENTS (Continued)

As of June 30, 2014 and 2013, assets measured at fair value on a recurring basis are comprised of and determined as follows:

		2014		
		Based on		
Description	Total Assets Measured at Fair Value	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities				
Consumer discretionary	$ 1,038,080	$ 1,038,080	$ -	$ -
Health care	564,975	564,975		
Services	309,952	309,952		
Financial	576,596	576,596		
Basic materials	399,542	399,542		
Industrial goods	138,735	138,735		
Technology and telecommunication	278,400	278,400		
	3,306,280	3,306,280	-	-
Mutual funds				
Large blend	24,589	24,589		
Foreign large blend	10,375	10,375		
Mid-cap blend	9,557	9,557		
Multi-sector bonds	5,717	5,717		
Small value	6,065	6,065		
	56,303	56,303	-	-
Corporate bonds and U.S. Government Agency obligations				
A+/A/A-	408,407	408,407		
BBB+/BBB	415,624	415,624		
BB	108,875	108,875		
	932,906	932,906	-	-
Money market funds	91,127	91,127		
Total	$ 4,386,616	$ 4,386,616	$ -	$ -

Note 10 - FAIR VALUE MEASUREMENTS (Continued)

		2013		
		Based on		
Description	Total Assets Measured at Fair Value	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities				
Consumer discretionary	$ 693,956	$ 693,956	$ -	$ -
Health care	596,226	596,226		
Services	591,737	591,737		
Financials	571,611	571,611		
Basic materials	502,485	502,485		
Technology and telecommunication	140,088	140,088		
Real Estate Investment Trust	4,512			4,512
	3,100,615	3,096,103	-	4,512
Mutual funds				
Large blend	20,024	20,024		
Foreign large blend	8,786	8,786		
Mid-cap blend	7,668	7,668		
Multi-sector bonds	5,608	5,608		
Small value	4,935	4,935		
	47,021	47,021	-	-
Corporate bonds and U.S. Government Agency obligations				
AA+/AA-	316,344	316,344		
A+/A/A-	381,584	381,584		
BBB/BBB-	196,228	196,228		
BB+	101,313	101,313		
	995,469	995,469	-	-
Money market funds	184,160	184,160		
Total	$ 4,327,265	$ 4,322,753	$ -	$ 4,512

Note 10 - FAIR VALUE MEASUREMENTS (Continued)

As of June 30, 2014 and 2013, there were no assets measured at fair value on a non-recurring basis.

The following provides a summary of changes in fair value of the Foundation's Level 3 assets for the years ended June 30, 2014 and 2013.

	2014	2013
Balance, beginning of year	$ 4,512	$ 4,719
Transfer	(4,512)	-
Unrealized loss	-	(207)
Balance, end of year	$ -	$ 4,512

Note 11 - PROPERTY AND EQUIPMENT

As of June 30, 2014 and 2013, property and equipment and accumulated depreciation were as follows:

	2014	2013
Remote production equipment	$ 10,876,915	$ 11,600,643
Equipment	3,255,262	2,420,583
Leasehold improvements	7,511,032	7,592,190
Construction in progress	220,454	-
Office equipment	319,318	233,009
Vehicles	70,714	-
	22,253,695	21,846,425
Less accumulated depreciation	(12,451,122)	(10,968,953)
Net property and equipment	$ 9,802,573	$ 10,877,472

Depreciation and amortization expense was $1,538,537 and $1,916,051 for the years ended June 30, 2014 and 2013, respectively.

Note 12 - NOTES PAYABLE TO BANK

The Foundation is obligated on the following notes payable:

	June 30, 2014	June 30, 2013
Note payable to Capital One Community Renewal Fund, LLC, bearing interest at 1.605%, due semi-annually, principal is due May 31, 2018, secured by a guarantee by the Foundation, a leasehold mortgage on the assets constructed, and certain deposits held by a financial institution of the Foundation.	$ 8,000,000	$ 8,000,000
Note payable to Whitney Bank. The note was amended in December 2010 and is due in 59 monthly installments of principal (12 of $19,700, 12 of $20,900, 12 of $22,200, 12 of $23,600, and 11 of $25,100) plus interest with the final payment of $687,100 due in December 2015. The note bears interest at an adjustable rate based on one month LIBOR plus 2.25% (2.41% as of June 30, 2014 plus an interest rate SWAP agreement rate that fixes the total combined rate at 4.5% for the life of the loan) and is secured by equipment filings on mobile production trailers and mobile video production	1,128,399	1,401,798
Note payable to Whitney Bank. The note was amended in December 2010 and was due in 41 installments of principal (12 of $8,100, 12 of $8,500, 12 of $8,900, and five of $9,275) plus interest, with the final payment of $9,278 due in June 2014. The note bore interest at an adjustable rate based on one month LIBOR plus 2.25% (2.44% as of June 30, 2013) and was secured by various equipment. This note was paid in full during the year ended June 30, 2014.	-	127,781

Note 12 - NOTES PAYABLE TO BANK (Continued)

	June 30, 2014	June 30, 2013
Note payable to Whitney Bank. The note is due in 59 equal monthly installments of principal and interest of $11,765 through November 2017. The note bears interest at 3.25% and is secured by high definition mobile unit equipment.	455,754	579,644
Totals	$ 9,584,153	$ 10,109,223

Future principal payments to be made on these notes are as follows:

Year Ending June 30,	
2015	$ 418,983
2016	970,214
2017	136,886
2018	8,058,070
Total	$ 9,584,153

In December 2010, the Foundation entered into a five year interest rate swap agreement with a financial institution whereby a notional amount of $1,659,100 of an outstanding note payable bears interest at a fixed rate of 2.25%, payable monthly, and the risk of the variable rate transfers to the institution. The variable rate on the note payable is LIBOR plus 2.25%, payable monthly. The swap arrangement requires that the financial institution pay the LIBOR rate (.16% as of June 30, 2014) by settling that difference against the Foundation's payment for the fixed rate portion of the payment. This swap agreement, which terminates in December 2015, was designed to hedge the risk of changes in the interest rate on the note. The remainder ($1,128,399 and $1,401,798 as June 30, 2014 and 2013, respectively) of the outstanding note continues to bear interest at an adjustable rate of interest. The fair value of the swap is not material to the financial statements as of June 30, 2014 and 2013.

In December 2010, the Foundation entered into an interest rate swap agreement with a financial institution whereby a notional amount of $221,953 of an outstanding note payable bears interest at a fixed rate of 1.6%, payable monthly. The floating interest rate adjustment on the swap agreement is calculated based on the USD-LIBOR-BBA (.16% as June 30, 2014). This loan was fully paid during 2014.

Note 13 - NEW MARKETS TAX CREDIT

During the year ended June 30, 2011, the Foundation and WYES GO began a capital construction project to repair and rebuild facilities previously damaged due to Hurricane Katrina. However, in order to receive additional financing for the construction and better than market loan terms, a credit agreement was executed on May 31, 2011 by and among the Foundation and Capital One Community Renewal Fund, LLC, a community development entity ("CDE" or the "Lender"). These loans qualify as a "quality low income community investment" and generate certain tax credits called New Markets Tax Credit ("NMTC") under Section 45D of the Internal Revenue Code. To qualify, WYES GO complied with certain representations, warranties, and covenants, including continuing to qualify as a qualified low-income community business. WYES GO will realize benefits from the New Markets Tax Credit Program of the Community Development Financial Institution Fund ("CDFI"), a branch of the U.S. Department of Treasury.

The Lender agreed to make a loan to WYES GO totaling $8,000,000. The loan is secured by a security agreement executed by WYES GO granting a lien on certain accounts, a guarantee by the Foundation, and a leasehold mortgage on the assets being constructed on land that is leased. The loan matures on May 31, 2018.

Note 14 - ENDOWMENT

The Endowments. The Foundation's Endowment Fund consists of one fund established for support of operations and facility maintenance costs and includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law. The Board of Trustees has interpreted the Uniform Prudent Management Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies the following amounts as permanently restricted net assets in the accompanying consolidated financial statements:

- the original value of the gifts donated to the permanent endowment;
- the original value of subsequent gifts to the permanent endowment;
- when applicable, accumulations to the permanent endowment, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. There were no additional gifts during the years ended June 30, 2014 and 2013.

Note 14 - ENDOWMENT (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the fund;
- the purposes of the Foundation and the donor-restricted endowment fund;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation of investments;
- other resources of the Foundation;
- the investment policies of the Foundation.

Endowment net asset composition by type of fund as of June 30, 2014 and 2013 is as follows:

	2014		
	Unrestricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 947,884	$ 947,884

	2013		
	Unrestricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 947,884	$ 947,884

Note 14 - ENDOWMENT (Continued)

Changes in endowment net assets for the years ending June 30, 2014 and 2013 are as follows:

	2014		
	Unrestricted	Permanently Restricted	Total
Net assets, beginning of the year	$ -	$ 947,884	$ 947,884
Investment income	144,408	-	144,408
Transfers to operations	(144,408)	-	(144,408)
Net assets, end of the year	$ -	$ 947,884	$ 947,884

	2013		
	Unrestricted	Permanently Restricted	Total
Net assets, beginning of the year	$ -	$ 947,884	$ 947,884
Interest income	1,375	-	1,375
Transfers to operations	(1,375)	-	(1,375)
Net assets, end of the year	$ -	$ 947,884	$ 947,884

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations and when continued appropriations for certain programs that were deemed prudent by the Board of Trustees occur in concurrence with the unfavorable market fluctuations. There were no such deficiencies as of June 30, 2014 and 2013.

Return Objectives and Risk Parameters. Endowment assets include donor restricted funds that the Foundation must hold in perpetuity. Under the investment policy, as approved by the Board of Trustees, permanent gifts to the Foundation are invested in a combination of fixed income and equity investments placed with an investment advisor who has been provided with specific guidelines for the portfolio composition within certain percentage ranges. Such guidelines prohibit investments considered at high risk such as derivatives, commodities, futures, options, purchases on margins, and short sales. The finance committee receives reports from the investment advisor and periodically reviews the investment guidelines.

Note 14 - ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives. To satisfy its long-term rate of return objectives, management believes that asset allocation is the major determinant of investment performance and relies on a long-term asset allocation plan, consistent with the Fund's investment objectives and performance goals. The Foundation targets a diversified asset allocation that is divided between equities (range between 65% and 85% with a target of 75%) and fixed income (range between 15% and 35% with a target of 25%).

Spending Policy and How Investment Objectives Relate to the Spending Policy. The Foundation adopted a policy during 2014 of appropriating for distribution for operational spending, no more than 5% annually of the total endowment fund, including earnings. Earnings that exceed the allowed annual distribution shall remain in the fund to offset potential market losses so as to preserve the original corpus of the donor-restricted endowment funds.

Note 15 - IN-KIND SUPPORT - RENTAL VALUE OF LEASED FACILITIES AND OTHER

The television station, transmission tower, and land are leased through November 30, 2023, at $1 per year. An independent appraisal set a fair rental value for the tower, antenna, and land at approximately $120,000 per year.

The fair value of transmission equipment owned by Louisiana Public Broadcasting and leased to the Foundation for no rent was $319,401 and $82,865 for the years ended June 30, 2014 and 2013, respectively.

The television studio and office building are located on land leased through January 31, 2035 at $1 per year. An independent appraisal established a fair rental value for the land at $49,001 per year.

The Foundation recorded the value of certain in-kind goods and services received of $96,611 and $19,400 for the years ended June 30, 2014 and 2013, respectively.

Note 15 - IN-KIND SUPPORT - RENTAL VALUE OF LEASED FACILITIES AND OTHER (Continued)

The fair rental values of the above described properties have been recorded as support and expenses in the years ended June 30, 2014 and 2013, respectively, as follows:

	2014	2013
Support		
Transmitter in-kind rent:		
Tower and facility	$ 120,000	$ 120,000
Transmission equipment	319,401	82,865
Studio and office building in-kind rent	49,001	49,001
Other goods and services	96,611	19,400
Total in-kind support	$ 585,013	$ 271,266
Expenditures		
Tower rental	$ 120,000	$ 120,000
Transmission equipment	319,401	82,865
Land rental	49,001	49,001
Donated goods and services	96,611	19,400
Total expenditures	$ 585,013	$ 271,266

Numerous volunteers have donated significant amounts of time to the Foundation's fund-raising campaigns and programs. No amounts have been reflected in the consolidated financial statements because they did not meet the criteria for recognition under FASB ASC 958, *Not-for-profit entities.*

Note 16 - COMMITMENTS AND CONTINGENCIES

The television studio and office building are located on land leased from the City of New Orleans for $1 per year for a 50 year period ending January 31, 2035.

The Foundation began outsourcing some of their accounting responsibilities to National Educational Telecommunications Association ("NETA") in July 2013. The professional fees under this agreement totaled $155,500 for the year ended June 30, 2014. The agreement was amended effective July 1, 2014 for two additional years with annual payments totaling $69,000 per year.

Note 16 - COMMITMENTS AND CONTINGENCIES (Continued)

The Foundation entered into a contract for professional services for consultation on fundraising activities. The initial twelve month contract, beginning in July 2013, was for $5,750 per month. In November 2013, the contract was extended through November 2014 for $10,000 per month to include expanded development responsibilities.

YESCOM leased a facility to store its trucks starting in July 2011 under an operating lease through July 2015. The monthly lease payment is $3,750 per month. Rent expense for the year end June 30, 2014 was $45,000.

YESCOM has a service agreement for a truck to pull the mobile units. The contract began in November 2013. The agreement is for 24 months through November 2015 for $3,200 per month.

Future minimum lease payments due these two leases are as follows:

Year ending June 30,	Amount
2015	$ 83,400
2016	19,750
	$ 103,150

If there is a breach of the loan agreements (Notes 12 and 13) between WYES GO and the Lender, and the Lender is required to recapture all or part of the New Market Tax Credits that they claimed, the Foundation has agreed to pay to the Lender an amount equal to the sum of the credits recaptured. The maximum aggregate amount due under the clauses in the agreement governing these possible recaptures is approximately $3,120,000. Management believes there are no breaches of these agreements.

Note 17 - UNRELATED BUSINESS INCOME

Revenues from certain projects are considered unrelated business income of a nonprofit organization by the Internal Revenue Service. Any net operating profits derived from such projects are subject to Federal unrelated business income tax.

Note 17 - UNRELATED BUSINESS INCOME (Continued)

The Foundation derives revenue from the rental of the remote production vehicles (see Note 18). This income is reported as unrelated business income in the Foundation's Exempt Organization Business Income Tax Return ("Form 990T"). For the years ended June 30, 2014 and 2013, the Foundation reported income tax expense from its unrelated business income activities of approximately $7,000 and $36,000, respectively. As of June 30, 2014, there was a refundable income tax of approximately $15,000. As of June 30, 2013, income tax payable was approximately $36,000, which was paid.

Note 18 - SUBSIDIARY OPERATIONS AND INCOME TAXES

Yescom Enterprises, Inc. ("Yescom"), the Foundation's wholly-owned subsidiary, derives income by providing remote production services with two remote production vehicles, production services at the Foundation's facility, and other services to third parties. This income is reported in Yescom's U.S. Corporation Income Tax Returns. For the year ended June 30, 2014 and 2013, Yescom reported no tax expense as it had net operating losses.

Yescom has accumulated net operating losses which are carried forward to reduce any future taxable income. The net operating loss carryforward of $83,000 will expire if not used by 2033. The loss for June 30, 2014 will be carried back and utilized.

Note 19 - BROADCAST HOURS

Broadcast hours of the television station were 8,760 and 8,740 (unaudited) for the years ended June 30, 2014 and 2013, respectively.

Note 20 - RETIREMENT PLAN

The Foundation has a retirement program whereby its employees participate in the TIAA-CREF Retirement Annuity Program, a Tax-Sheltered Annuity. The program requires the Foundation to match the 3% contribution of an employee with a 7% contribution. As of June 30, 2014, 26 employees were participating in the program. Retirement expenses under this plan totaled $72,469 and $49,462 for the years ended June 30, 2014 and 2013, respectively.

Note 21 - SUPPLEMENTAL CASH FLOWS INFORMATION

Cash payments of interest during the years ended June 30, 2014 and 2013 were approximately $225,000 and $195,000, respectively. Cash payments of income taxes during the years ended June 30, 2014 and 2013 were approximately $58,000 and $141,000, respectively.

The following summarized the non-cash operating and investing transactions of the Foundation as of June 30, 2014:

Accounts payable for property and equipment purchases	$ 152,762

Note 22 - RISKS AND UNCERTAINTIES

In general, investment securities are exposed to various risks, such as interest rate, currency, and credit and market volatility. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in risk in the near term would materially affect the fair market value of investments held by the Foundation.

Note 23 - SUBSEQUENT EVENT

The Foundation will begin a construction project subsequent to the report date to replace the original building damaged by Hurricane Katrina. Funding for the project will be from several sources including private donations raised through a capital campaign that has already been in progress for three years and state funding which has been prioritized. The Foundation secured a line of credit up to $2,600,000 on November 4, 2014, that will bridge the funding gap for construction costs as capital campaign pledges are being secured and collected. Upon completion of the building anticipated in mid-2016, a permanent term loan will be secured.

The Foundation obtained an operating line of credit on September 16, 2014, with a limit of $750,000 with a local financial institution with an interest rate of LIBOR plus 2.25% per annum. The line of credit is secured by an account held at the local financial institution and expires on September 16, 2015.

SUPPLEMENTAL INFORMATION

Schedule 1

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

Greater New Orleans Educational Television Foundation and Subsidiaries

June 30, 2014

	Foundation	Yescom	Besh	Yes/Besh	WYES GO	Eliminations	Totals
Assets							
Cash and cash equivalents	$ 853,377	$ 111,007	$ 519	$ 585	$ 2,693	$ -	$ 968,181
Restricted cash	1,271,367	-	-	-	-	-	1,271,367
Accounts receivable, net	49,051	485,597	104,010	-	-	-	638,658
Capital campaign pledges receivable	620,857	-	-	-	-	-	620,857
Note receivable	7,049,176	-	-	-	-	-	7,049,176
Prepaid expenses and deposits	53,969	2,027	-	-	-	-	55,996
Investments	4,386,616	-	-	-	-	-	4,386,616
Property and equipment, net of accumulated depreciation	2,683,586	-	-	-	7,118,987	-	9,802,573
Investment in Yescom (subsidiary)	10,000	-	-	-	-	(10,000)	-
Due from subsidiaries, net	4,371	-	-	232,212	-	(236,583)	-
Total assets	$ 16,982,370	$ 598,631	$ 104,529	$ 232,797	$ 7,121,680	$ (246,583)	$ 24,793,424
Liabilities							
Accounts payable and accrued expenses	$ 383,520	$ 118,638	$ -	$ -	$ 92,640	$ -	$ 594,798
Notes payable to bank	1,584,153	-	-	-	-	-	1,584,153
Deferred revenue	2,364,502	100,000	-	-	-	-	2,464,502
Note payable - Community Development Entity	-	-	-	-	8,000,000	-	8,000,000
Due to/from parent, net	-	219,924	(25,936)	-	42,595	(236,583)	-
Total liabilities	4,332,175	438,562	(25,936)	-	8,135,235	(236,583)	12,643,453
Net Assets							
Common stock	-	10,000	-	-	-	(10,000)	-
Net assets (deficit):							
Unrestricted	9,810,087	150,069	130,465	232,797	(1,013,555)	-	9,309,863
Temporarily restricted	1,892,224	-	-	-	-	-	1,892,224
Permanently restricted	947,884	-	-	-	-	-	947,884
Total net assets (deficit) and common stock	12,650,195	160,069	130,465	232,797	(1,013,555)	(10,000)	12,149,971
Total liabilities, net assets (deficit) and common stock	$ 16,982,370	$ 598,631	$ 104,529	$ 232,797	$ 7,121,680	$ (246,583)	$ 24,793,424

CONSOLIDATING STATEMENT OF ACTIVITIES

Greater New Orleans Educational
Television Foundation and Subsidiaries

For the year ended June 30, 2014

	Foundation	Yescom	Besh	Yes/Besh	WYES GO	Eliminations	Totals
Changes in Unrestricted Net Assets							
Support and revenues:							
Support:							
Contributions	$ 1,865,792	$ -	$ -	$ -	$ -	$ -	$ 1,865,792
Grants from the Corporation for Public Broadcasting	604,524	-	-	-	-	-	604,524
Other grants	208,772	-	-	-	-	-	208,772
Other support	333,556	-	-	-	-	-	333,556
In-kind support	585,013	-	-	-	-	-	585,013
Revenues:							
Auction sales, net	1,858	-	-	-	-	-	1,858
Miscellaneous sales, net loss	20,661	-	-	-	-	-	20,661
Contract and production services	1,497,053	4,989,200	-	-	-	(1,470,000)	5,016,253
Investment income	965,766	-	-	-	24	-	965,790
Tax credit - motion picture investor	-	-	104,010	-	-	-	104,010
Management fees	-	-	-	-	1,077,236	(1,077,236)	-
Total unrestricted support and revenues	6,082,995	4,989,200	$ 104,010	-	1,077,260	(2,547,236)	9,706,229
Net assets released from restrictions	125,303	-	-	240,031	-	-	365,334
Transfers	(427,501)	-	427,501	-	-	-	-
Total unrestricted support and revenues	5,780,797	4,989,200	531,511	240,031	1,077,260	(2,547,236)	10,071,563

Schedule 2
(Continued)

	Foundation	Yescom	Besh	Yes Besh	WYES GO	Eliminations	Totals
Expenses:							
Program services	2,934,485	5,129,473	195	$ 7,234	1,162,531	(1,470,000)	7,763,918
Management and general	2,219,267	17,436	-	-	284,696	(1,077,236)	1,444,163
Development	870,165	-	-	-	109,885	-	980,050
Total expenses	6,023,917	5,146,909	195	7,234	1,557,112	(2,547,236)	10,188,131
Increase (decrease) in unrestricted net assets	(243,120)	(157,709)	531,316	232,797	(479,852)	-	(116,568)
Changes in Temporarily Restricted Net Assets							
Support:							
Capital campaign	134,476	-	-	-	-	-	134,476
Total support	134,476	-	-	-	-	-	134,476
Net assets released from restrictions	(125,303)	-	-	(240,031)	-	-	(365,334)
Increase (decrease) in temporarily restricted net assets	9,173	-	-	(240,031)	-	-	(230,858)
Changes in Permanently Restricted Net Assets	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	(233,947)	(157,709)	531,316	(7,234)	(479,852)	-	(347,426)
Net Assets (Deficit)							
Beginning of year	12,884,142	307,778	(400,851)	240,031	(533,703)	-	12,497,397
End of year	$ 12,650,195	$ 150,069	$ 130,465	$ 232,797	$ (1,013,555)	$ -	$ 12,149,971

CONSOLIDATED SCHEDULE OF SUPPORT AND REVENUES

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Support and Revenues				
Support:				
Contributions:				
Membership and general	$ 939,305			$ 939,305
Capital campaign		$ 134,476		134,476
Local business support	72,190			72,190
Major gifts	253,375			253,375
Program and production underwriting	425,922			425,922
Support from commercial station - Transmitter	175,000			175,000
Total contributions	1,865,792	134,476		2,000,268
Grants from the Corporation for Public Broadcasting	604,524			604,524
Other grants:				
Grants - foundations and agencies	208,772			208,772
Other support:				
Special events	284,021			284,021
Miscellaneous	49,535			49,535
Total other support	333,556			333,556
In-kind support:				
Rent:				
Transmission equipment	319,401			319,401
Transmitter	120,000			120,000
Land	49,001			49,001
Goods and services	96,611			96,611
Total in-kind support	585,013			585,013
Total support	3,597,657	134,476	$ -	3,732,133

Schedule 3
(Continued)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Support and Revenues				
Total support (carried forward)	3,597,657	134,476	-	3,732,133
Revenues:				
Auction sales, net	1,858			1,858
Miscellaneous sales, net	20,661			20,661
Contract and production services:				
Production services	1,336,503			1,336,503
Contract services	3,652,697			3,652,697
Tower rental	27,053			27,053
Total contract and production services	5,016,253			5,016,253
Investment income:				
Interest income, net of custodian fees	459,285			459,285
Net unrealized gain on investments	386,739			386,739
Net realized gain on investments	119,766			119,766
Total investment income	965,790	-		965,790
Tax credit - motion picture investor	104,010			104,010
Total revenues	6,108,572	-		6,108,572
Total support and revenues	$ 9,706,229	$ 134,476	$ -	$ 9,840,705

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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 of Trustees,
Greater New Orleans Educational Television Foundation,
New Orleans, Louisiana.

We have audited, 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, the consolidated financial statements of Greater New Orleans Educational Television Foundation and Subsidiaries as of June 30, 2014, and the related notes to the consolidated financial statements and have issued our report thereon dated November 6, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Foundation and Subsidiaries' internal control over financial reporting ("internal control") to determine audit procedures that are appropriate in the circumstances for the propose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation and Subsidiaries' 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 Foundation and Subsidiaries' consolidated financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies. Given these limitations, during our audit we will 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 Greater New Orleans Educational Television Foundation and Subsidiaries' consolidated financial statements are free of 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 consolidated 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.
November 6, 2014.

SCHEDULE OF FINDINGS AND RESPONSES

Greater New Orleans Educational Television Foundation and Subsidiary

For the year ended June 30, 2014

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	____ Yes _X_ No
• Significant deficiency(ies) identified that are not considered to be a material weakness	____ Yes _X_ None reported
Noncompliance material to consolidated financial statements noted?	____ Yes _X_ No

b) Federal Awards

Greater New Orleans Educational Television Foundation and Subsidiaries did not expend Federal awards in excess of $500,000 during the year ended June 30, 2014, and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, <u>Audits of States, Local Governments, and Non-Profit Organizations</u>.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings was reported during the audit for the year ended June 30, 2014.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements (Continued)

Compliance and Other Matters

There were no findings reported during the audit for the year ended June 30, 2014 related to compliance and other matters.

Section III - Internal Control and Compliance Material to Federal Awards

The Foundation did not expend Federal awards in excess of $500,000 during the year ended June 30, 2014, and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended June 30, 2014

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended June 30, 2013.

No significant deficiencies were reported during the audit of the consolidated financial statements for the year ended June 30, 2013.

Compliance

No compliance findings material to the consolidated financial statements were noted during the audit for the year ended June 30, 2013.

Section II - Internal Control and Compliance Material to Federal Awards

Greater New Orleans Educational Television Foundation and Subsidiaries did not receive federal awards during the year ended June 30, 2013.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2013.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended June 30, 2014

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2014 related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no findings material to the financial statements noted during the audit for the year ended June 30, 2014 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Greater New Orleans Educational Television Foundation and Subsidiaries did not expend Federal awards in excess of $500,000 during the year ended June 30, 2014, and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2014.