Consolidated Financial Report

Greater New Orleans Educational Television Foundation and Subsidiaries

September 30, 2023

wyes
new orleans

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Consolidated Financial Report

Greater New Orleans Educational Television Foundation and Subsidiaries

September 30, 2023

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New Orleans, Louisiana

September 30, 2023 and 2022

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying 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 September 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Greater New Orleans Educational Television Foundation and Subsidiaries as of September 30, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Greater New Orleans Educational Television Foundation and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater New Orleans Educational Television Foundation and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Greater New Orleans Educational Television Foundation and Subsidiaries' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater New Orleans Educational Television Foundation and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Greater New Orleans Educational Television Foundation and Subsidiaries' consolidated financial statements as of and for the year ended September 30, 2022, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated February 1, 2023. In our opinion, the summarized comparative information presented herein as of and for year ended September 30, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information (Schedules 1 through 3) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer (Schedule 4) is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3) 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 February 15, 2024 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.
February 15, 2024.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Greater New Orleans Educational Television Foundation and Subsidiaries

New Orleans, Louisiana

September 30, 2023
(with comparative totals for September 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	$ 2,280,940	$ 2,488,984
Accounts receivable, net	311,566	97,993
Unconditional promises to give, net	836,667	1,085,514
Prepaid expenses	106,748	103,860
Investments	5,024,899	4,743,136
Property and equipment, net of accumulated depreciation	12,889,796	12,717,794
Total assets	$21,450,616	$21,237,281
Liabilities		
Accounts payable and accrued expenses	$ 698,352	$ 398,986
Notes payable	177,618	166,469
Deferred revenue	497,983	661,545
Total liabilities	1,373,953	1,227,000
Net Assets		
Without donor restrictions	17,350,353	16,997,789
With donor restrictions	2,726,310	3,012,492
Total net assets	20,076,663	20,010,281
Total liabilities and net assets	$21,450,616	$21,237,281

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES

Greater New Orleans Educational
Television Foundation and Subsidiaries
New Orleans, Louisiana

For the year ended September 30, 2023
(with comparative totals for the year ended September 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals 2023	Totals 2022
Support and Revenues				
Support:				
Contributions	$ 2,034,667	$ -	$ 2,034,667	$ 5,853,404
Grants from the Corporation for Public Broadcasting	661,386	-	661,386	748,664
Louisiana state grant	250,000	-	250,000	250,000
Other grants	10,000	330,000	340,000	1,962,954
Program and production underwriting	818,985	-	818,985	557,878
Other support	313,170	-	313,170	368,357
Contributions of nonfinancial assets	485,443	-	485,443	563,079
Revenues:				
Miscellaneous sales, net	28,185	-	28,185	24,285
Contract and production services	512,797	-	512,797	979,331
Tower rental	27,234	-	27,234	34,639
Gain on sale of equipment	-	-	-	313,451
Investment income (loss), net	389,400	-	389,400	(548,561)
Total support and revenues	5,531,267	330,000	5,861,267	11,107,481
Net assets released from restrictions:				
Expiration of time and purpose restrictions	616,182	(616,182)	-	-
Total support and revenues	6,147,449	(286,182)	5,861,267	11,107,481
Expenses				
Program services	3,675,382	-	3,675,382	3,945,328
Management and general	1,224,630	-	1,224,630	1,246,967
Development	894,873	-	894,873	901,473
Total expenses	5,794,885	-	5,794,885	6,093,768
Increase (Decrease) in Net Assets	352,564	(286,182)	66,382	5,013,713
Net Assets				
Beginning of year	16,997,789	3,012,492	20,010,281	14,996,568
End of year	$17,350,353	$ 2,726,310	$20,076,663	$20,010,281

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Greater New Orleans Educational
Television Foundation and Subsidiaries
New Orleans, Louisiana

For the year ended September 30, 2023
(with comparative totals for the year ended September 30, 2022)

	Program Services		Supporting Services		Total Expenses	
	Broadcasting	Engineering	Management And General	Development	2023	2022
Advertising	$ 12,305	$ -	$ -	$ 1,770	$ 14,075	$ 8,676
Bad debt (recovery)	13,599	-	-	2,000	15,599	(440)
Board of trustees' expenses	-	-	1,079	-	1,079	593
Building and grounds maintenance	-	-	67,635	-	67,635	80,193
Building rental	-	-	199,914	-	199,914	238,013
Direct mail solicitation	-	-	-	35,414	35,414	49,569
Employee travel and other personnel costs	4,660	120	5,963	4,823	15,566	77,380
Equipment rental and maintenance cost	39,048	22,465	76,794	42,698	181,005	168,701
Insurance	-	-	232,020	-	232,020	245,174
Interest	-	-	5,056	11,149	16,205	38,428
Membership premiums	-	-	-	53,803	53,803	37,180
Office supplies	2,360	4,243	3,410	1,220	11,233	21,355
Other expenses	56,887	1,578	52,191	175,624	286,280	314,902
Postage and shipping	829	454	7,196	57,794	66,273	67,669
Printing	119,127	-	736	35,713	155,576	150,360
Production costs	11,652	-	22	10,710	22,384	28,389
Professional services	194,103	143,381	153,160	267,341	757,985	689,689
Program rental fees	746,766	-	-	-	746,766	869,513
Salaries, payroll taxes, contract labor, and employee benefits	1,192,036	164,697	292,692	256,378	1,905,803	1,933,805
Taxes - miscellaneous	200	-	215	-	415	2,250
Telephone	13,768	13,606	21,800	3,786	52,960	54,804
Tower and transmission equipment rental	-	240,809	-	-	240,809	321,677
Utilities	-	227,837	-	-	227,837	217,548
	2,407,340	819,190	1,119,883	960,223	5,306,636	5,615,428
Depreciation and amortization	-	448,852	104,747	77,012	630,611	662,093
Less special events direct benefit to donor costs	-	-	-	(142,362)	(142,362)	(183,753)
Total functional expenses	$2,407,340	$ 1,268,042	$1,224,630	$894,873	$5,794,885	$6,093,768

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Greater New Orleans Educational Television Foundation and Subsidiaries

New Orleans, Louisiana

For the year ended September 30, 2023
(with comparative totals for the year ended September 30, 2022)

	2023	2022
Cash Flows From Operating Activities		
Increase in net assets	$ 66,382	$ 5,013,713
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	630,611	662,093
Realized gain on disposal of assets	-	(313,451)
Realized and unrealized loss on investments, net	53,063	749,638
(Increase) decrease in operating assets:		
Accounts receivable and unconditional promises to give	(213,573)	19,240
Prepaid expenses	(2,888)	(36,442)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	82,325	99,803
Deferred revenue	(163,562)	(71,805)
Revenues restricted for the acquisition of property and equipment:		
Pledges receivable, net of unamortized discount	(126,153)	(1,346,654)
Net cash provided by operating activities	326,205	4,776,135
Cash Flows From Investing Activities		
Proceeds from sale of equipment	-	485,000
Purchases of property and equipment	(585,572)	(84,678)
Proceeds from sales and maturities of investments	834,309	100,500
Purchases of investments	(1,169,135)	(3,397,543)
Net cash used in investing activities	(920,398)	(2,896,721)

	2023	2022
Cash Flows From Financing Activities		
Collections of capital campaign support	375,000	715,000
Proceeds from notes payable	11,149	-
Payments on notes payable	-	(544,443)
Payments on line of credit	-	(399,245)
Net cash provided by (used in) financing activities	386,149	(228,688)
Net Increase (Decrease) in Cash and Cash Equivalents	(208,044)	1,650,726
Cash and Cash Equivalents		
Beginning of year	2,488,984	838,258
End of year	$2,280,940	$ 2,488,984

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Greater New Orleans Educational Television Foundation and Subsidiaries

New Orleans, Louisiana

September 30, 2023 and 2022

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.

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 was founded in February 2010 to aid in the production of a television series. On October 12, 2015, Besh amended its articles of incorporation to change its corporate name to WYES Media Services, L.L.C. ("WYES Media Services").

Yescom and WYES Media Services are collectively the "Subsidiaries".

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Organization and Income Taxes (Continued)

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 September 30, 2023 and 2022, 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 September 30, 2020 and later remain subject to examination by taxing authorities.

b. Use of Estimates

The preparation of consolidated 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 in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

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:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met either by action of the Foundation and/or the passage of time, or net assets subject to donor-imposed stipulations that are maintained in perpetuity by the Foundation.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 5).

g. Investments

Investments in marketable securities, including mutual funds (equity funds and bond funds) and other investments are carried at fair market value in the Consolidated 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 net assets without donor restrictions unless their use is 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.

h. 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. As of September 30, 2023 and 2022, there were no conditional promises to give.

i. Contributions

Contributions are recorded as support with or without donor restrictions depending on the existence and/or nature of any restrictions.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Contributions (Continued)

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

j. Revenue Recognition

The Foundation recognizes revenues in accordance with Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers*" (Topic 606). This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services. The Foundation records the following exchange transaction revenue in its Consolidated Statements of Activities for the years ended September 30, 2023 and 2022:

Program and Production Underwriting

Program and production underwriting revenue includes amounts received in exchange for recognition within the Foundation's television programming. The Foundation recognizes underwriting revenue at the time the spots are aired on television and the performance obligation is satisfied.

Contract and Production Services

The Foundation provides contract and production services to third parties including studio rentals, mobile unit rentals, and related crew and staffing arrangements. Contract and production fees are fixed at the time of purchase based on price listings or negotiated rates. Performance obligations are satisfied, and revenue is recognized when the work is completed, and the customer is invoiced.

Tower Rental

The Foundation leases space on its tower to telecommunication companies. The performance obligation of providing access is satisfied over time, and revenue is recognized on a monthly basis according to the terms outlined in the tower rental agreements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Revenue Recognition (Continued)

For each of the preceding exchange transactions, contract receivables consist of amounts due and collectible for performance obligations already satisfied. Contract liabilities represent consideration received for performance obligations which have not yet been satisfied. Contract assets and liabilities as of the beginning and end of the years ended September 30, 2023 and 2022 are as follows.

	Contract Receivables	Contract Liabilities
October 1, 2021	$ 117,233	$733,350
September 30, 2022	$ 97,993	$661,545
September 30, 2023	$ 311,566	$497,983

The Foundation conducts fundraisers in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event, the exchange component, and a portion represents a contribution to the Foundation. The fair value of meals and entertainment provided at the event is measured at the actual cost to the Foundation. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs, which ultimately benefit the donor rather than the Foundation, are recorded as fundraising expenses in the Consolidated Statement of Activities. The performance obligation is the event. FASB ASU No. 2014-09 requires allocation of the transaction price to the performance obligation. Accordingly, the Foundation separately presents in Note 13 the exchange and contribution components of the gross proceeds from special events.

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 receivables are comprised principally of balances due from third parties for remote production services and studio contract services. Management has recorded an allowance of approximately $16,000 and $4,000 for accounts it deems unlikely to collect as of September 30, 2023 and 2022, respectively. The Foundation provides for estimated uncollectible capital pledges receivable based on management's analysis of specific promises made. Management believes all pledges are collectible, and there is no allowance for uncollectible capital campaign pledges receivable as of September 30, 2023 and 2022.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 support without donor restrictions. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions 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 net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions for expiration of time restrictions as the assets are depreciated or the time period expires.

Repairs and maintenance are charged to expense as incurred. It is the Foundation's policy to capitalize major renewals, replacements, and betterments of $2,500 or more. 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 3 to 39 years.

m. Contributed Nonfinancial Assets

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 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 transmitter facilities, which is $1 per year for 20 years through November 30, 2023 (see Note 12). The Foundation's policy is to record the current rental value as revenue and recognize a corresponding amount as an expense of fulfilling its exempt purposes. The current rental value is the amount that would be charged to a commercial customer as documented by Emmis Television Broadcasting, L.P. doing business as WVUE.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Contributed Nonfinancial Assets (Continued)

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 $128,902 and $213,029 for the years ended September 30, 2023 and 2022, 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 20 year period ending in 2023 (see Note 2m). 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 September 30, 2023 and 2022 was $29,167 and $204,167, respectively. Other deferred revenues totaled $468,816 and $457,378 as of September 30, 2023 and 2022, 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.

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.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Methods Used for Allocation of Expenses

Most of the expenses can be directly allocated to one of the programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Personnel costs and related expenses are allocated based on time and level of effort. Building and occupancy related costs are allocated on an estimate of percentage of usage.

r. Recently Issued Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Consolidated Statement of Activities and the Consolidated Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The Foundation adopted the standard during the year ended September 30, 2023. Adoption of the standard did not have a material effect on the Foundation's consolidated financial statements.

Lease Discount Rate

In November 2021, the FASB issued ASU No. 2021-09, "*Leases*" (Topic 842) "*Lease Discount Rate for Lessees That Are Not Public Business Entities*" currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. Entities that have not yet adopted Topic 842 are required to adopt the amendments in this update at the same time that they adopt Topic 842. The Foundation adopted the standard during the year ended September 30, 2023. Adoption of the standard did not have a material effect on the Foundation's consolidated financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. Recently Issued Accounting Standards (Continued)

Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, "*Financial Instruments – Credit Losses*" (Topic 326). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU.

The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk. The ASU is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted. The Foundation is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

s. Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 financial statement presentation.

t. Subsequent Events

Management evaluates events occurring subsequent to the date of the 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 February 15, 2024, 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 September 30, 2023, cash deposits in excess of the insured limits were approximately $1,311,000.

Note 4 - PLEDGES RECEIVABLE

During the year ended June 30, 2012, the Foundation entered into Capital Campaign Phase II. The purpose of the campaign is to raise approximately $5,500,000 from private sources 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. As of September 30, 2023, the Foundation has raised pledges and contributions totaling $6,023,351, exceeding the goal by approximately $523,000.

During the year ended September 30, 2022, the Foundation entered into the NextGen Capital Campaign. The purpose of the campaign is to raise approximately $3,860,000 from public and private sources for the construction of a broadcast system capable of providing NextGen transmission accessible beyond traditional television sets - available to mobile devices, cars, laptops, and phones. As of September 30, 2023, the Foundation has raised pledges and contributions from private sources totaling approximately $2,000,000.

The Foundation has discounted the value of future pledges receivable by using an effective interest rate of 5%.

The details of pledges receivable as of September 30, 2023 and 2022 are as follows:

	2023	2022
Pledges receivable at beginning of year	$ 1,185,000	$ 500,000
New pledges made during the year	70,000	1,400,000
Less:		
Cash received	(375,000)	(715,000)
Pledges receivable at end of year	880,000	1,185,000
Unamortized discount	(43,333)	(99,486)
Totals	$ 836,667	$ 1,085,514

	2023	2022
Amounts due in:		
Less than one year	$ 655,000	$ 525,000
One to five years	225,000	660,000
	$ 880,000	$ 1,185,000

Note 4 - PLEDGES RECEIVABLE (Continued)

Pledges receivable as of September 30, 2023 and 2022 are comprised of the following:

	2023	2022
Pledges related to NextGen transmitter campaign	$620,000	$ 925,000
Pledges related to capital campaign	260,000	260,000
Totals	$880,000	$1,185,000

Note 5 - INVESTMENTS

Investments as of September 30, 2023 and 2022 consist of the following:

	2023	
Description	Cost	Market Value
Equity mutual funds	$2,590,652	$2,314,011
Corporate bonds and U.S. Government Agency obligations	199,831	195,012
Bond mutual funds	1,062,787	960,589
Exchange traded funds	1,457,393	1,502,683
Money market funds	52,604	52,604
Total investments	$5,363,267	$5,024,899

	2022	
Description	Cost	Market Value
Equity mutual funds	$3,330,053	$2,948,774
Corporate bonds and U.S. Government Agency obligations	199,831	195,382
Bond mutual funds	1,014,512	929,470
Exchange traded funds	740,033	634,410
Money market funds	35,100	35,100
Total investments	$5,319,529	$4,743,136

Note 5 - INVESTMENTS (Continued)

Investment return for the year ended September 30, 2023 is summarized as follows:

	Cost	Market Value	Excess of Cost Over Market
Balances as of September 30, 2023	$5,363,267	$5,024,899	$ (338,368)
Balances as of September 30, 2022	$5,319,529	$4,743,136	(576,393)
Decrease in unrealized depreciation			$ 238,025

Interest and dividend income	$ 473,467
Unrealized gain	238,025
Realized loss, net	(291,088)
Investment fees	(31,004)
Investment income, net	$ 389,400

Investment return for the year ended September 30, 2022 is summarized as follows:

	Cost	Market Value	Excess of Market Over Cost (Cost Over Market)
Balances as of September 30, 2022	$5,319,529	$4,743,136	$ (576,393)
Balances as of September 30, 2021	$2,022,220	$2,195,731	173,511
Increase in unrealized depreciation			$ (749,904)

Interest and dividend income	$ 217,885
Unrealized loss	(749,904)
Realized gain, net	266
Investment fees	(16,808)
Investment loss, net	$(548,561)

Note 6 - 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:

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

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; and/or
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

- *Mutual funds (equity funds and bond funds)*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded. 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.
- *Exchange traded funds*: Valued at the quoted market price from a national securities exchange. These are included in Level 1 of the fair value hierarchy.
- *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.

Note 6 - FAIR VALUE MEASUREMENT (Continued)

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.

As of September 30, 2023 and 2022, assets measured at fair value on a recurring basis are comprised of and determined as follows:

		2023		
			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 mutual funds	$2,314,011	$2,314,011	$ -	$ -
Corporate bonds and U.S. Government Agency obligations	195,012	195,012	-	-
Bond mutual funds	960,589	960,589	-	-
Exchange traded funds	1,502,683	1,502,683	-	-
Money market funds	52,604	52,604	-	-
Totals	$5,024,899	$5,024,899	$ -	$ -

		2022		
			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 mutual funds	$2,948,774	$2,948,774	$ -	$ -
Corporate bonds and U.S. Government Agency obligations	195,382	195,382	-	-
Bond mutual funds	929,470	929,470	-	-
Exchange traded funds	634,410	634,410	-	-
Money market funds	35,100	35,100	-	-
Totals	$4,743,136	$4,743,136	$ -	$ -

As of September 30, 2023 and 2022, there were no assets measured at fair value on a non-recurring basis.

Note 7 - PROPERTY AND EQUIPMENT

As of September 30, 2023 and 2022, property and equipment and accumulated depreciation is as follows:

	2023	2022
Leasehold improvements	$ 14,827,752	$ 14,827,752
Equipment	4,748,104	4,369,583
Construction in progress	424,092	-
Office equipment	418,846	418,846
Vehicles	36,404	36,404
	20,455,198	19,652,585
Less accumulated depreciation	(7,565,402)	(6,934,791)
Net property and equipment	$ 12,889,796	$ 12,717,794

Depreciation and amortization expense was $630,611 and $662,093 for the years ended September 30, 2023 and 2022, respectively.

Note 8 - BANK LINES OF CREDIT

The Foundation has a $750,000 line of credit with Hancock Whitney Bank. Interest is due monthly at U.S. Prime Rate + 1% (9.50% and 7.25% as of September 30, 2023 and 2022, respectively). The line of credit was renewed and will expire on September 10, 2024. There was no balance outstanding as of September 30, 2023 or 2022.

Note 9 - NOTES PAYABLE

The Foundation is obligated on the following notes payable as of September 30, 2023 and 2022.

	2023	2022
Note payable to First Horizon Bank. The note was converted from a revolving line of credit to a non-revolving line of credit in May 2019 and is due upon the lender's demand. If no demand is made, it is due on February 28, 2025. The note bears interest equal to the 1 month LIBOR ICE rate plus 1.75% (7.19% and 4.67% as of September 30, 2023 and 2022, respectively) and is secured by a negative pledge balance.	$177,618	$166,469

Note 9 - NOTES PAYABLE (Continued)

Future principal payments to be made on these notes as of September 30, 2023 are as follows:

Year Ending September 30,	
2025	$ 177,618

On February 2, 2024, the Foundation paid all outstanding balances and closed the line.

Note 10 - 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 of America, 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 State Prudent Management Institutional Funds Act (SPMIFA) 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 restricted net assets in the accompanying consolidated financial statements:

- the original value of the gifts donated to the endowment held in perpetuity;
- the original value of subsequent gifts to the endowment held in perpetuity;
- when applicable, accumulations to the 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 September 30, 2023 and 2022.

In accordance with SPMIFA, 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; and
- the investment policies of the Foundation.

Note 10 - ENDOWMENT (Continued)

Endowment net asset composition by type of fund as of September 30, 2023 and 2022 is as follows:

	September 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 947,884	$947,884

	September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 947,884	$947,884

Changes in endowment net assets for the years ended September 30, 2023 and 2022 are as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
Net assets, beginning of the year	$ -	$ 947,884	$ 947,884
Investment income	302,193	-	302,193
Transfers from operations	(302,193)	-	(302,193)
Net assets, end of the year	$ -	$ 947,884	$ 947,884

	2022		
	Without Donor Restrictions	With Donor Restrictions	Totals
Net assets, beginning of the year	$ -	$ 947,884	$ 947,884
Investment loss	(87,603)	-	(87,603)
Transfers to operations	87,603	-	87,603
Net assets, end of the year	$ -	$ 947,884	$ 947,884

Note 10 - ENDOWMENT (Continued)

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 SPMIFA 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 September 30, 2023 and 2022.

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, gifts held in perpetuity 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.

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 Foundation'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 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 11 - NET ASSETS WITH DONOR RESTRICTIONS

Contributions are restricted by donors for specific purposes or designated for subsequent periods. Cash and investments raised through the capital campaign 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. Endowment funds are held in perpetuity.

Note 11 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions as of September 30, 2023 and 2022 are restricted for the following purposes:

	2023	2022
Subject to expenditure for specified purpose:		
NextGen transmission campaign	$1,235,965	$1,670,000
Endowment	947,884	947,884
Capital campaign - property and equipment acquisition	462,611	231,244
American Rescue Plan Act Stabilization	79,850	163,364
Total net assets with donor restrictions	$2,726,310	$3,012,492

Net assets released from restrictions during the years ended September 30, 2023 and 2022 are as follows:

	2023	2022
Purpose restrictions satisfied:		
Capital campaign and NextGen campaign - property and equipment acquisition	$532,669	$313,555
American Rescue Plan Act Stabilization	83,513	128,283
Total net assets with donor restrictions	$616,182	$441,838

Note 12 - CONTRIBUTED NONFINANCIAL ASSETS

The television station, transmission tower, and land are leased through November 30, 2023, at $1 per year. These assets are utilized in Engineering Program Services, and do not bear any donor restrictions. The fair market rental value is estimated based on like kind rental rates charged to tenants at the donor’s other transmitter and studio sites. The values established by WVUE for the tower, antenna, and land occupied by the Foundation was valued at approximately $111,907 and $108,648 for the years ended September 30, 2023 and 2022, respectively.

Transmission equipment is utilized in Engineering Program Services, and do not bear any donor restrictions. The fair market lease value is estimated based on the estimated useful life of the equipment as provided by the donor. The fair value of transmission equipment owned by LPB and leased to the Foundation for no rent was $128,902 and $213,029 for the years ended September 30, 2023 and 2022, respectively.

Note 12 - CONTRIBUTED NONFINANCIAL ASSETS (Continued)

The television studio and office building are located on land leased through January 31, 2035 at $1 per year. These assets are utilized in Management and General Supporting Services, and do not bear any donor restrictions. The fair market rental value is estimated based on an independent appraisal performed in April 2016 by the donor. Rental value of $200,000 for both of the years ended September 30, 2023 and 2022 was recorded.

In addition, the Foundation recorded the value of certain in-kind goods and services received of $44,634 and $41,402 for the years ended September 30, 2023 and 2022, respectively. These assets are utilized in various programs and activities, do not bear any donor restrictions, and are valued based on management's estimate of the value of the contributed nonfinancial assets.

The fair values of the above described contributed nonfinancial assets have been recorded as support and expenses for the years ended September 30, 2023 and 2022 are as follows:

	2023	2022
Support		
Transmitter in-kind rent:		
Tower and facility	$111,907	$108,648
Transmission equipment in-kind rent	128,902	213,029
Studio and office building in-kind rent	200,000	200,000
Other goods and services	44,634	41,402
Total support	$485,443	$563,079

	2023	2022
Expenditures		
Tower rental	$111,907	$108,648
Transmission equipment rental	128,902	213,029
Studio and office building rental	200,000	200,000
Goods and services	44,634	41,402
Total expenditures	$485,443	$563,079

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 No. 958, *Not-for-Profit Entities*.

Note 13 - SPECIAL EVENT REVENUE

Gross receipts from special fundraising events recorded by the Foundation consist of exchange transaction revenue and contribution revenue. Those amounts for the years ended September 30, 2023 and 2022 are summarized as follows:

	2023	2022
Sponsorships	$ 222,810	$ 315,924
Special event ticket sales	224,661	233,866
Contributions	-	-
Special events - gross	447,471	549,790
Less: cost of direct donor benefit	(142,362)	(183,753)
Special events - net	$ 305,109	$ 366,037

The special events net revenue is included in other support on the Consolidated Statements of Activities.

Note 14 - 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 and reimbursed expenses under this agreement totaled approximately $96,000 and $91,000 for the years ended September 30, 2023 and 2022, respectively. This agreement will terminate on June 30, 2024 with total fees of approximately $63,000 plus reimbursable expenses due for the final period.

YESCOM leased a facility to store its trucks under an operating lease through July 2019 for $4,500 per month. The Foundation has not extended the lease and was paying month-to-month through August 2022. As a result of the sale of the HDI mobile unit, the expense was reduced to $2,500 in November 2019. Following the sale of the HDII mobile unit, the lease was terminated in August 2022. Rent expense was $27,000 for the year ended September 30, 2022. There was no rent expense for the year ended September 30, 2023.

The Foundation signed a lease on June 14, 2023 for use of a tower beginning December 1, 2023 and ending November 30, 2033, with two additional renewal periods of five years each. The agreement calls for monthly payments of $5,000 plus annual increases of 1%.

Note 15 - 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.

The Foundation derives revenue from the rental of the remote production vehicle and rental of the studio facility (see Note 16). The last remaining remote production vehicle was sold during the year ended September 30, 2022. This income is reported as unrelated business income in the Foundation's Exempt Organization Business Income Tax Return ("Form 990T"). For the year ended September 30, 2023, there was a taxable loss of approximately $82,000.

The Foundation has a net operating loss of approximately $1,031,000 as of September 30, 2023 that can be carried forward indefinitely.

Note 16 - SUBSIDIARY OPERATIONS AND INCOME TAXES

Yescom, the Foundation's wholly owned subsidiary, derives income by providing remote production services with a remote production vehicle, production services at the Foundation's facility, and other services to third parties. The last remaining remote production vehicle was sold during the year ended September 30, 2022. This income is reported in Yescom's U.S. Corporation Income Tax Returns.

Yescom's operations resulted in a net loss of approximately $4,000 for the year ended September 30, 2023. Yescom has a net operating loss of approximately $716,000 as of September 30, 2023 which will be carried forward indefinitely. For both the years ended September 30, 2023 and 2022, there were no income taxes paid.

Note 17 - AVAILABILITY OF FINANCIAL ASSETS

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation receives grants and contributions with donor restrictions. In addition, the Foundation generates revenue and receives support without donor restrictions. To help manage unanticipated liquidity needs, the Foundation has a line of credit in the amount of $750,000.

Contributions without donor restrictions, broadcasting revenue, fundraising events, facility rentals, and miscellaneous income are considered to be available to meet cash needs for general expenditures. General expenditures include program services, general and administrative, and fundraising expenses. Annual operations are defined as activities occurring during, and included in the budget for, the upcoming fiscal year.

Note 17 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following table represents financial assets available for general expenditures within one year as of September 30, 2023:

Financial assets:	
Cash and cash equivalents	$2,280,940
Accounts receivable, net	311,566
Pledges receivable, net	836,667
Investments	5,024,899
Total financial assets	8,454,072
Less amounts unavailable for general expenditures within one year, due to:	
Donor imposed restrictions:	
Restricted by donors with purpose restriction	(2,726,310)
Financial assets available to meet cash needs for general expenditures within one year	$5,727,762

Note 18 - BROADCAST HOURS

Broadcast hours of the television station were 8,760 (unaudited) on each of the four channels for a total of 35,040 hours for the years ended September 30, 2023 and 2022.

Note 19 - RETIREMENT PLAN

The Foundation has a retirement program whereby its employees participate in the TIAA Retirement Annuity Program, a Tax-Sheltered Annuity. Subsequent to Board approval, the Foundation provided a 2.33 to one discretionary matching contribution for elective employee contributions up to 3% of qualified earnings for the years ended September 30, 2023 and 2022. During both of the years ended September 30, 2023 and 2022, 15 employees participated in the program. Retirement expenses under this plan totaled $29,421 and $26,086 for the years ended September 30, 2023 and 2022, respectively.

Note 20 - SUPPLEMENTAL CASH FLOWS INFORMATION

Cash payments of interest (for notes payable) during the years ended September 30, 2023 and 2022, were approximately $16,000 and $37,000, respectively.

Purchases of equipment financed through accounts payable totaled $217,041 for the year ended September 30, 2023.

No cash payments of income taxes were made during the years ended September 30, 2023 and 2022.

Note 21 - 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 22 - RELATED PARTY TRANSACTIONS

The Foundation rents equipment and purchases other production services from M3 Systems, which is partly owned by the president of Yescom. Rentals and services purchased from M3 totaled approximately $6,000 for the year ended September 30, 2022. There were no amounts paid to M3 during the year ended September 30, 2023.

SUPPLEMENTARY INFORMATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

Greater New Orleans Educational Television Foundation and Subsidiaries

New Orleans, Louisiana

September 30, 2023

	Foundation	Yescom	WYES Media Services	Eliminations	Totals
Assets					
Cash and cash equivalents	$ 1,731,432	$ 14,259	$ 535,249	$ -	$ 2,280,940
Accounts receivable, net	311,566	-	-	-	311,566
Pledges receivable, net	836,667	-	-	-	836,667
Prepaid expenses	99,248	-	7,500	-	106,748
Investments	5,024,899	-	-	-	5,024,899
Property and equipment, net of accumulated depreciation	12,889,796	-	-	-	12,889,796
Investment in Yescom (subsidiary)	10,000	-	-	(10,000)	-
Due from affiliates	-	-	695,231	(695,231)	-
Total assets	$20,903,608	$ 14,259	$1,237,980	$ (705,231)	$21,450,616
Liabilities					
Accounts payable and accrued expenses	$ 501,061	$ -	$ 197,291	$ -	$ 698,352
Notes payable	177,618	-	-	-	177,618
Deferred revenue	147,983	-	350,000	-	497,983
Due to affiliates	233,350	461,881	-	(695,231)	-
Total liabilities	1,060,012	461,881	547,291	(695,231)	1,373,953
Net Assets					
Common stock	-	10,000	-	(10,000)	-
Net assets (deficit):					
Without donor restrictions	17,117,286	(457,622)	690,689	-	17,350,353
With donor restrictions	2,726,310	-	-	-	2,726,310
Total net assets (deficit) and common stock	19,843,596	(447,622)	690,689	(10,000)	20,076,663
Total liabilities, net assets (deficit) and common stock	$20,903,608	$ 14,259	$1,237,980	$ (705,231)	$21,450,616

CONSOLIDATING STATEMENT OF ACTIVITIES

Greater New Orleans Educational Television Foundation and Subsidiaries

New Orleans, Louisiana

For the year ended September 30, 2023

	Foundation	Yescom	WYES Media Services	Eliminations	Totals
Changes in Unrestricted Net Assets					
Support and revenues:					
Support:					
Contributions	$ 2,034,667	$ -	$ -	$ -	$ 2,034,667
Grants from the Corporation for Public Broadcasting	661,386	-	-	-	661,386
Louisiana state grant	250,000	-	-	-	250,000
Other grants	10,000	-	-	-	10,000
Program and production underwriting	415,447	-	403,538	-	818,985
Other support	313,170	-	-	-	313,170
Contributions of nonfinancial assets	485,443	-	-	-	485,443
Revenues:					
Miscellaneous sales, net	61,357	-	-	(33,172)	28,185
Contract and production services	703,447	2,150	-	(192,800)	512,797
Tower rental	27,234	-	-	-	27,234
Investment loss, net	389,400	-	-	-	389,400
Total unrestricted support and revenues	5,351,551	2,150	403,538	(225,972)	5,531,267
Net assets released from restrictions	616,182	-	-	-	616,182
Total unrestricted support and revenues	5,967,733	2,150	403,538	(225,972)	6,147,449
Expenses:					
Program services	3,466,512	361	401,309	(192,800)	3,675,382
Management and general	1,218,851	5,779	-	-	1,224,630
Development	928,045	-	-	(33,172)	894,873
Total expenses	5,613,408	6,140	401,309	(225,972)	5,794,885
Increase (decrease) in unrestricted net assets	354,325	(3,990)	2,229	-	352,564
Changes in Restricted Net Assets					
Grants	330,000	-	-	-	330,000
Net asset released from restrictions	(616,182)	-	-	-	(616,182)
Increase in restricted net assets	(286,182)	-	-	-	(286,182)
Increase (Decrease) in Net Assets	68,143	(3,990)	2,229	-	66,382
Net Assets (Deficit)					
Beginning of year	19,775,453	(453,632)	688,460	-	20,010,281
End of year	$19,843,596	$(457,622)	$690,689	$ -	$20,076,663

CONSOLIDATED SCHEDULE OF SUPPORT AND REVENUES

Greater New Orleans Educational Television Foundation and Subsidiaries
New Orleans, Louisiana

For the year ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Support and Revenues			
Support:			
Contributions:			
Membership and general	$ 1,206,067	$ -	$ 1,206,067
Local business support	72,044	-	72,044
Major gifts	581,556	-	581,556
Support from commercial station - transmitter	175,000	-	175,000
Total contributions	2,034,667	-	2,034,667
Grants from the Corporation for Public Broadcasting	661,386	-	661,386
Louisiana state grant	250,000	-	250,000
Other grants:			
Grants - foundations and agencies	10,000	330,000	340,000
Program and production underwriting	818,985	-	818,985
Other support:			
Special events, net of direct benefit to donor costs	305,109	-	305,109
Miscellaneous	8,061	-	8,061
Total other support	313,170	-	313,170
Contributions of nonfinancial assets			
Rent:			
Transmission equipment	128,902	-	128,902
Transmitter	111,907	-	111,907
Studio and office building	200,000	-	200,000
Goods and services	44,634	-	44,634
Total contributions of nonfinancial assets	485,443	-	485,443
Total support	4,573,651	330,000	4,903,651

	Without Donor Restrictions	With Donor Restrictions	Totals
Support and Revenues (Continued)			
Total support (carried forward)	4,573,651	330,000	4,903,651
Revenues:			
Miscellaneous sales, net	28,185	-	28,185
Contract and production services:			
Contract services	2,150	-	2,150
Studio rental	510,647	-	510,647
Total contract and production services	512,797	-	512,797
Tower rental	27,234	-	27,234
Investment income:			
Interest income, net of custodian fees	442,463	-	442,463
Net unrealized and realized losses on investments	(53,063)	-	(53,063)
Investment income, net	389,400	-	389,400
Total revenues	957,616	-	957,616
Total support and revenues	$ 5,531,267	$ 330,000	$ 5,861,267

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Greater New Orleans Educational Television Foundation and Subsidiaries

New Orleans, Louisiana

For the year ended September 30, 2023

Agency Head Name: Robin Cooper, President

Purpose	
Salary	$135,578
Benefits - insurance	10,775
Benefits - retirement	4,050
Benefits - other	10,372
Car allowance	0
Vehicle provided	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	$160,775

<u>SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS</u>

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 (the "Foundation and Subsidiaries") as of and for the year ended September 30, 2023, and the related notes to the consolidated financial statements and have issued our report thereon dated February 15, 2024.

Report on 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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34 LOUIS PRIMA, SUITE B • COVINGTON, LA 70433-5903 • 985•246•3022

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 deficiency. 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.

Report on 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 consolidated financial statements. 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.
February 15, 2024.

SCHEDULE OF FINDINGS AND RESPONSES

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended September 30, 2023

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

The Foundation did not expend more than $750,000 in Federal awards during the year ended September 30, 2023 and, therefore, is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

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

Internal Control Over Financial Reporting

No internal control over financial reporting findings material to the consolidated financial statements were reported during the audit for the year ended September 30, 2023.

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

Compliance and Other Matters

No compliance findings material to the consolidated financial statements were reported during the audit for the year ended September 30, 2023.

Section III - Internal Control and Compliance Material to Federal Awards

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended September 30, 2023

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

Internal Control Over Financial Reporting

No internal control over financial reporting findings material to the consolidated financial statements were reported during the audit for the year ended September 30, 2022.

Compliance and Other Matters

No compliance findings material to the consolidated financial statements were reported during the audit for the year ended September 30, 2022.

Section II - Internal Control and Compliance Material to Federal Awards

The Foundation did not expend more than $750,000 in Federal awards during the year ended September 30, 2022 and, therefore, is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended September 30, 2022.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Greater New Orleans Educational Television Foundation and Subsidiaries

For the year ended September 30, 2023

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

Internal Control Over Financial Reporting

No internal control over financial reporting findings material to the consolidated financial statements were reported during the audit for the year ended September 30, 2023.

Compliance and Other Matters

No compliance findings material to the consolidated financial statements were reported during the audit for the year ended September 30, 2023.

Section II - Internal Control and Compliance Material to Federal Awards

The Foundation did not expend more than $750,000 in Federal awards during the year ended September 30, 2023 and, therefore, is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended September 30, 2023.