

ACADIANA OPEN CHANNEL, INC.

Financial Report

Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Acadiana Open Channel, Inc.
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Acadiana Open Channel, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Acadiana Open Channel, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance 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 Financial Statements section of our report. We are required to be independent of Acadiana Open Channel, Inc. 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Acadiana Open Channel, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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. We identify and assess the risks of material misstatement of the 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 financial statements. We 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 Acadiana Open Channel Inc.'s internal control. Accordingly, no such opinion is expressed. We 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 financial statements. We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Acadiana Open Channel, Inc.'s 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, on our consideration of Acadiana Open Channel, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of Acadiana Open Channel, Inc.'s 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 Acadiana Open Channel, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 30, 2024

FINANCIAL STATEMENTS

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Statement of Financial Position
June 30, 2024

ASSETS

Current assets.	
Cash and cash equivalents	\$ 200,923
Receivables -	
Accounts	510
Grants	156,964
Prepaid expenses	<u>16,038</u>
Total current assets	374,435
Property and equipment, net	9,103
Operating right-of-use asset	172,299
Other assets:	
Security deposits	<u>5,100</u>
Total assets	<u>\$ 560,937</u>

LIABILITIES AND NET ASSETS

Current liabilities.	
Accrued liabilities	\$ 11,413
Note payable	10,287
Operating lease liability - current portion	<u>128,523</u>
Total current liabilities	150,223
Noncurrent liabilities:	
Operating lease liability	<u>43,776</u>
Total liabilities	<u>193,999</u>
Net assets:	
Without donor restrictions-	
Undesignated	364,248
With donor restrictions	<u>2,690</u>
Total net assets	<u>366,938</u>
Total liabilities and net assets	<u>\$ 560,937</u>

The accompanying notes are an integral part of this statement.

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Statement of Activities
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support:			
Grants-			
Lafayette City-Parish Consolidated Government	\$ 418,221	\$ -	\$ 418,221
Lafayette Utilities System	44,418	-	44,418
Cox Communications	<u>155,500</u>	<u>-</u>	<u>155,500</u>
Total grants	<u>618,139</u>	<u>-</u>	<u>618,139</u>
Contributions and other:			
Contributions	725	-	725
Membership fees	8,308	-	8,308
Charges for services	3,187	-	3,187
Other income	<u>2,614</u>	<u>-</u>	<u>2,614</u>
Total contributions and other	<u>14,834</u>	<u>-</u>	<u>14,834</u>
Total revenues and other support	<u>632,973</u>	<u>-</u>	<u>632,973</u>
Expenses -			
Program services - Public Access Television	<u>538,688</u>	<u>-</u>	<u>538,688</u>
Supporting services:			
Management and general	99,262	-	99,262
Fundraising expenses	<u>33,459</u>	<u>-</u>	<u>33,459</u>
Total supporting services	<u>132,721</u>	<u>-</u>	<u>132,721</u>
Total expenses	<u>671,409</u>	<u>-</u>	<u>671,409</u>
Change in net assets	<u>(38,436)</u>	<u>-</u>	<u>(38,436)</u>
Net assets, beginning of year	<u>402,684</u>	<u>2,690</u>	<u>405,374</u>
Net assets, end of year	<u>\$ 364,248</u>	<u>\$ 2,690</u>	<u>\$ 366,938</u>

The accompanying notes are an integral part of this statement.

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program	Supporting Services			Total
	Services	Management		Total	
	Direct	and		Support	
	Access	General	Fundraising	Services	Expenses
	Television				
Bank fees	\$ 25	\$ 6	\$ -	\$ 6	\$ 31
Broadcast expense	9,400	-	-	-	9,400
Consulting	7,302	1,825	-	1,825	9,127
Depreciation	6,977	1,231	-	1,231	8,208
Dues and subscriptions	488	54	-	54	542
Employee benefits	74,824	14,030	4,675	18,705	93,529
Insurance	14,829	2,781	927	3,708	18,537
Marketing	1,320	-	70	70	1,390
Membership development	1,052	262	1,311	1,573	2,625
Other	3,774	570	191	761	4,535
Postage	109	27	135	162	271
Professional services	20,432	3,830	1,278	5,108	25,540
Promotions	37	-	2	2	39
Rent expense	105,774	19,833	6,610	26,443	132,217
Repairs and maintenance	12,266	2,300	767	3,067	15,333
Salaries and wages	248,852	46,660	15,553	62,213	311,065
Supplies	15,705	2,944	982	3,926	19,631
Telephone	1,499	281	94	375	1,874
Training	115	21	-	21	136
Travel expense	76	14	-	14	90
Utilities	13,558	2,542	847	3,389	16,947
Volunteer development	274	51	17	68	342
Total	\$ 538,688	\$ 99,262	\$ 33,459	\$ 132,721	\$ 671,409

The accompanying notes are an integral part of this statement.

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2024

Cash flows from operating activities:	
Decrease in net assets	\$ (38,436)
Adjustments to reconcile change in net assets to net cash used by operating activities -	
Depreciation	8,208
Change in current assets and liabilities:	
Receivables	2,129
Prepaid expenses	4,864
Accounts payable	(2,552)
Accrued liabilities	<u>1,912</u>
Net cash used by operating activities	<u>(23,875)</u>
Cash flows used by investing activities:	
Purchase of equipment	<u>(3,843)</u>
Cash flows from financing activities:	
Proceeds from issuance notes payable	12,725
Principal payments	<u>(2,438)</u>
Net cash provided by financing activities	<u>10,287</u>
Net increase in cash and cash equivalents	(17,431)
Cash and cash equivalents, beginning of year	<u>218,354</u>
Cash and cash equivalents, end of year	<u><u>\$ 200,923</u></u>

The accompanying notes are an integral part of this statement

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Organization and Purpose

The Acadiana Open Channel, Inc. (Organization) is a non-profit corporation organized under the laws of the State of Louisiana on July 1, 1981. Its purpose is to coordinate the use of public access channels provided by the cable television system in Lafayette, Louisiana. The Organization also provides production facilities, technical assistance, and training to individuals, groups and organizations interested in producing non-commercial education, cultural, informational or other community-oriented television programs.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting for financial reporting purposes in accordance with accounting principles generally accepted in the United States of America. Net assets of the Organization 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 either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time of other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

C. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

D. Grants Receivable

Grants receivable are recognized only to the extent that related expenses have been incurred.

E. Prepaid Expenses

Prepaid balances are the payments made by the Organization in the current year to provide services occurring in the subsequent fiscal year.

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

F. Property and Equipment

The Organization's capitalization policy is \$1,000 for property and equipment recorded at cost, if purchased, or at estimated fair market value if donated. Donations of property and equipment are recorded as contributions at their estimated fair value. Maintenance and repairs are charged to expense, while additions and improvements are capitalized. Depreciation is computed by the straight-line method at rates based the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Production and studio equipment	7 - 10 years
Furniture, equipment, and software	5 - 10 years
Leasehold improvements	10 years

Under the terms of the contract with the Lafayette City-Parish Consolidated Government, ownership of equipment acquired with funds derived from the contract reverts to the Lafayette City-Parish Consolidated Government upon termination of that contract.

G. Revenue and Expense Recognition

The Organization receives grants and contributions from various entities. Grant revenues are recognized only to the extent that related expenses have been incurred. Contributions are recognized when the donor makes a commitment to give to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting. When a restriction expires, that is when a stipulated time restriction ends or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

H. Compensated Absences

Vacation and sick leave are recorded as expenses of the period in which they are earned. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Annual vacation is earned by employees based on the number of years of employment. Current unused vacation and up to 40 hours of prior year unused vacation is payable upon retirement for all employees with the exception of the executive director, who will receive up to 25 days of unused vacation. At June 30, 2024, the accrued vacation leave amounted to \$7,854.

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

I. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. However, the organization's tax-exempt status has no effect on its liability for any federal excise taxes. Accounting principles generally accepted in the United States of America require the organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the organization, and has concluded that as of June 30, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2020.

J. Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in program services during the year. These donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied.

K. 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. Accordingly, actual results could differ from these estimates.

L. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy, which are allocated on a square-footage basis, as well as salaries and related benefits, which are allocated based on time and effort.

M. Advertising Costs

Advertising costs are expensed as incurred. There were no advertising expenses for the year ended June 30, 2024

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of June 30, 2024, reduced by amounts not available for general use because of donor-imposed regulation within one year of the statement of financial position date.

Financial assets, at year-end	\$ 358,397
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions-	
Restricted by donor with purpose restrictions	<u>(2,690)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 355,707</u>

The Organization has \$355,707 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$198,233, grants receivable of \$156,964, and other receivables of \$510. As part of the Organizations liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

(3) Grants Receivable

Grants receivable consist of the following at June 30, 2024:

Lafayette City-Parish Consolidated Government	\$ 106,209
Cox Communications	37,264
Lafayette Utilities System	<u>13,491</u>
	<u>\$ 156,964</u>

(4) Prepaid Expenses

Prepaid expenses consist of the following at June 30, 2024:

Insurance	\$ 15,282
Software maintenance	<u>757</u>
	<u>\$ 16,039</u>

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(5) Property and Equipment

Property and equipment consist of the following as of June 30, 2024:

Production and studio equipment	\$ 370,244
Furniture, equipment, and software	137,332
Leasehold improvements	<u>62,891</u>
Total property and equipment	570,467
Less: Accumulated depreciation	<u>(561,364)</u>
Property and equipment, net	<u>\$ 9,103</u>

Depreciation expense for the year ended June 30, 2024 was \$8,208.

(6) Net Assets with Donor Restrictions

The Organization acts as a fiscal agent for various events and workshops offered to the public. All receipts and disbursements for these activities are handled through the Organization's operating cash account. However, since these funds are restricted by legal contracts, the net assets generated from the events are considered net assets with donor restrictions. As the funds are spent in accordance with the contracts, they are released and expensed in the released from donor restrictions net asset activities on the statement of activities. Additionally, the Organization accumulates donations to be used for individuals who cannot afford the membership dues, which are considered to be net assets with donor restrictions.

Net assets with donor restrictions consist of the following at June 30, 2024:

Membership Scholarship	<u>\$ 2,690</u>
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(7) Leases

The determination of whether the arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. A right-of-use (ROU) asset represents the Company's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily determinable, or an incremental borrowing rate based on the information available at lease commencement. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization leases a building for use in their operations. The lease has a remaining term of approximately 16 months.

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

The following summarizes the line items in the balance sheet which include amounts for operating leases at June 30, 2024:

Operating leases:	
Operating lease right-of-use asset	<u>\$ 172,299</u>
Operating lease liabilities - current	128,523
Operating lease liabilities - noncurrent	<u>43,776</u>
Total operating lease liabilities	<u>\$ 172,299</u>

Reconciliation of Operating Lease Liabilities - Payments to Operating Lease Liabilities.

Total operating lease liabilities - payments		\$ 176,292
Operating lease liabilities - current	\$ 128,523	
Operating lease liabilities - noncurrent	<u>43,776</u>	
Total operating lease liabilities		<u>172,299</u>
Present value adjustment		<u>\$ 3,993</u>

The following is a maturity analysis of annual undiscounted cash flows (payments) of the operating lease liability as of June 30, 2024:

<u>Year Ending June 30,</u>	
2025	\$ 132,219
2026	<u>44,073</u>
	<u>\$ 176,292</u>

Lease cost of \$132,219 is included in the statement of functional expenses. The weighted average of the remaining lease term was 1.33 years and the weighted average discount rate used was 3.25%.

(8) Notes Payable

On April 11, 2024, the Organization entered into a loan agreement with a financing company in the amount of \$12,725, maturing January 11, 2025, 10 monthly payments of \$1,349 including interest of 12.899%. The loan was to finance the insurance premium for general liability coverage. The outstanding balance amounted to \$10,287 as of June 30, 2024.

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(9) Support and Revenue Sources Concentrations

The Organization receives grants and contributions from various entities. The major revenue sources are grants received from contracts with the Lafayette City-Parish Consolidated Government, Lafayette Utilities System and Cox Communications. The Organization has contracted with the Lafayette City-Parish Consolidated Government to coordinate the use of public access channels for 35% of the receipts received by the Lafayette City-Parish Consolidated Government for franchise fees.

Additionally, the Organization has contracts with Lafayette Utilities System and Cox Communications for \$44,418 and \$155,500, respectively. For the year ended June 30, 2024, approximately 98% of the Organization's revenue and other support were from these contracts.

(10) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit by grantor agencies, principally the Lafayette City-Parish Consolidated Government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expense which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

(11) Risk Management

The Organization is exposed to risks of loss in the areas of general liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements have not exceeded insurance coverage in any of the past three years.

(12) Concentration of Credit Risk

The Organization maintains cash account balances and a certificate of deposit at financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2024, the Organization's cash balances were fully insured.

(13) Board Member Compensation

The members of the board of directors of Organization serve on a voluntary basis and receive no form of compensation for those duties.

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(14) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation and benefits paid to Michael Messerly, Executive Director, for the period June 30, 2024 follows:

Salary	\$ 75,000
Benefits - insurance	<u>18,505</u>
Total	<u>\$ 93,505</u>

(15) Subsequent Events Review

The Organization's management has evaluated subsequent events through October 30, 2024, the date which the financial statements were available to be issued.

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

* A Professional Accounting Corporation

To the Board of Directors
Acadiana Open Channel, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Acadiana Open Channel, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Acadiana Open Channel, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Acadiana Open Channel, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2024-001 that we considered to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Acadiana Open Channel, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

Acadiana Open Channel, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Acadiana Open Channel, Inc.'s response to the finding identified in our audit and described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 30, 2024

ACADIANA OPEN CHANNEL, INC
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2024

Part I. Current Year Findings and Management's Corrective Action Plan

A. Compliance Findings-

There are no findings to report under this section.

B. Internal Control Findings-

2024-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2016

CRITERIA: The Organization should have a control policy according to which no person should be given responsibility for more than one related function.

CONDITION: The Organization did not have adequate segregation of accounting functions.

CAUSE: Due to the size of the Organization, there are a small number of available employees.

EFFECT: The Organization has employees that are performing more than one related function.

RECOMMENDATION: The Organization should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Part II. Prior Year Findings

A. Compliance Findings-

There are no findings to report under this section.

B. Internal Control Findings-

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2016

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The Organization should establish and monitor mitigating controls over the functions that are not completely segregated.

STATUS: Unresolved. See finding 2024-001.

ACADIANA OPEN CHANNEL, INC
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2024

2023-002 Supporting Documentation for Credit Card Purchases

Fiscal year finding initially occurred: 2023

CONDITION: The Organization did not maintain supporting documentation for their credit card purchases including the credit card statements for the months of September 2022 and October 2022.

RECOMMENDATION: The Organization should ensure all vendor files are properly maintained in a centralized location.

STATUS: Resolved.

Acadiana Open Channel, Inc.

Agreed-Upon Procedures Report

Year Ended June 30, 2024

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Director of
Acadiana Open Channel, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. Acadiana Open Channel, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Acadiana Open Channel, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.
 - d) Observe whether the board finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved

Bank Reconciliations

- 3 Obtain a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected accounts, and observe that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged), and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers registers;
 - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;
 - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6 Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer)
- e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under procedure #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - b) At least two employees are involved in processing and approving payments to vendors;
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and
 - b) Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.
- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under procedure #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1h, and
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented); and
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - d) Observe the rate paid to the employees or officials agree to the authorized salary pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S.42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24.523.
26. Observe that the entity has posted on its premises and website, the notice required by R.S. 24.523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employee/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - a) Completed the training if hired before June 9, 2020; and
 - b) Completed the training within 30 days of initial service or employment if hired on or after June 9, 2020.

We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

- 1 The entity's written policies and procedures do not address the following: (a) Purchasing- how purchases are initiated, the preparation and approval process of purchase requisitions and purchase orders, controls to ensure compliance with public bid law, and documentation required to be maintained for all bids and price quotes; (b) Disbursements - processing, (c) Receipts - management's actions to determine the completeness of all collections for each type of revenue; (d) Payroll/Personnel - the approval process for employee's rate of pay or approval and maintenance of pay rate schedules; (e) Contracting - the types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process; (f) Information Technology Disaster Recovery/ Business Continuity - and the identification of critical data and frequency of backups, storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.

Board

2. The Organization's board minutes for the fiscal period did not reference or include financial activity relating to public funds for all board meetings held.
3. The Organization's board finance committee did not receive written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

4. Bank reconciliations does not include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issues checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared.
5. On one of the two bank reconciliations management does not have documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date

Collections

6. The Organization's collection site does not demonstrate that job duties are properly segregated
7. The deposit selected for testing lacked evidence of the date of receipt; therefore, unable to determine if deposits were made within one business day.

Disbursements

8. Two of the five disbursements selected for testing did not reflect evidence of segregation of duties.

Credit Cards/ Debit Cards/ Fuel Cards/ Purchase Cards (Cards)

9. The Organization's monthly statement for their debit card lacked review and approval in writing of someone other than the authorized card holder.

Travel and Travel-related Expense Reimbursements

10. The Organization had two travel expense reimbursements tested that were not reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Management's Response:

Management of Acadiana Open Channel, Inc. concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by Acadiana Open Channel, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Acadiana Open Channel, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 30, 2024