# ACADIANA OPEN CHANNEL, INC.

Financial Report

Year Ended June 30, 2020

TABLE OF CONTENTS

# KOLDER, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

WWW.KCSRCPAS.COM


INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acadiana Open Channel, Inc. as of June 30, 2020, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2020, 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 19, 2020

# FINANCIAL STATEMENTS

ACADIANA OPEN CHANNEL, INC.
Lafayette, Louisiana

Statement of Financial Position
June 30, 2020

| | |
|---|---|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | $ 483,939 |
| Receivables - | |
| Accounts | 10,887 |
| Grants | 191,213 |
| Prepaid expenses | 18,528 |
| Total current assets | 704,567 |
| Property and equipment, net | 67,241 |
| Other assets: | |
| Security deposits | 5,100 |
| Total assets | $ 776,908 |
| LIABILITIES AND NET ASSETS | |
| Current liabilities: | |
| Accounts payable | $ 16,101 |
| Accrued liabilities | 30,910 |
| Refundable advance - SBA loan | 116,622 |
| Total current liabilities | 163,633 |
| Net assets: | |
| Without donor restrictions- | |
| Undesignated | 543,544 |
| With donor restrictions | 69,731 |
| Total net assets | 613,275 |
| Total liabilities and net assets | $ 776,908 |

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, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Revenues and other support: | | | |
| Grants- | | | |
| Lafayette City-Parish Consolidated Government | $ 533,221 | $ - | $ 533,221 |
| Lafayette Utilities System | 50,169 | - | 50,169 |
| Cox Communications | 206,172 | - | 206,172 |
| Total grants | 789,562 | - | 789,562 |
| Contributions and other: | | | |
| Contributions | 1,725 | 117,858 | 119,583 |
| Membership fees | 10,198 | - | 10,198 |
| Charges for services | 6,595 | - | 6,595 |
| Other income | 10,886 | - | 10,886 |
| Net assets released from restrictions | 57,097 | (57,097) | - |
| Total contributions and other | 86,501 | 60,761 | 147,262 |
| Total revenues and other support | 876,063 | 60,761 | 936,824 |
| Expenses - | | | |
| Program services - Public Access Television | 764,511 | - | 764,511 |
| Supporting services: | | | |
| Management and general | 130,414 | - | 130,414 |
| Fundraising expenses | 41,715 | - | 41,715 |
| Total supporting services | 172,130 | - | 172,130 |
| Total expenses | 936,641 | - | 936,641 |
| Change in net assets | (60,578) | 60,761 | 183 |
| Net assets, beginning of year | 604,122 | 8,970 | 613,092 |
| Net assets, end of year | $ 543,544 | $ 69,731 | $ 613,275 |

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, 2020

| | Program Services | Supporting Services | | | |
|---|---|---|---|---|---|
| | Direct Access Television | Management and General | Fundraising | Total Support Services | Total Expenses |
| Broadcast expense | $ 10,269 | $ - | $ - | $ - | $ 10,269 |
| Consulting | 6,595 | 1,649 | - | 1,649 | 8,244 |
| Depreciation | 27,896 | 4,922 | - | 4,922 | 32,818 |
| Dues and subscriptions | 588 | 65 | - | 65 | 653 |
| Employee benefits | 95,379 | 17,884 | 5,960 | 23,844 | 119,223 |
| Grants to agencies | 57,097 | - | - | - | 57,097 |
| Insurance | 12,171 | 2,282 | 761 | 3,043 | 15,214 |
| Interest expense | 263 | 66 | - | 66 | 329 |
| Other | 5,633 | 849 | 273 | 1,122 | 6,756 |
| Postage | 198 | 49 | 247 | 296 | 494 |
| Printing | 786 | 163 | 359 | 522 | 1,308 |
| Professional services | 14,257 | 2,673 | 892 | 3,564 | 17,821 |
| Promotions | 955 | - | 50 | 50 | 1,005 |
| Rent expense | 91,964 | 17,244 | 5,747 | 22,991 | 114,955 |
| Repairs and maintenance | 32,479 | 6,089 | 2,030 | 8,120 | 40,599 |
| Salaries and wages | 370,763 | 69,518 | 23,173 | 92,690 | 463,453 |
| Supplies | 10,006 | 1,877 | 626 | 2,501 | 12,507 |
| Telephone | 6,739 | 1,262 | 421 | 1,683 | 8,422 |
| Training | 1,259 | 224 | - | 224 | 1,483 |
| Travel expense | 380 | 67 | - | 67 | 447 |
| Utilities | 17,002 | 3,187 | 1,063 | 4,250 | 21,253 |
| Volunteer development | 1,833 | 343 | 114 | 458 | 2,291 |
| Total | $ 764,511 | $ 130,414 | $ 41,715 | $ 172,130 | $ 936,641 |

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, 2020

| | |
|---|---|
| Cash flows from operating activities: | |
| Increase in net assets | $ 183 |
| Adjustments to reconcile change in net assets to net cash used by operating activities - | |
| Depreciation | 32,818 |
| Change in current assets and liabilities: | |
| Receivables | 11,214 |
| Prepaid expenses | 55 |
| Accounts payable | 3,339 |
| Accrued liabilities | (307) |
| Refundable advance | 116,622 |
| Net cash provided by operating activities | 163,924 |
| Cash flows used by investing activities: | |
| Purchase of equipment | (2,386) |
| Net increase in cash and cash equivalents | 161,538 |
| Cash and cash equivalents, beginning of year | 322,401 |
| Cash and cash equivalents, end of year | $ 483,939 |
| Supplemental disclosure for the statement of cash flows: | |
| Interest paid | $ 329 |

The accompanying notes are an integral part of this statement.

## (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.

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:

| Asset Class | Estimated Useful Lives |
|---|---|
| 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, 2020, the accrued vacation leave amounted to $10,430.

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, 2020, 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 2016.

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. Refundable advance

Refundable advances arise when a non-profit organization receives resources with donor-imposed conditions before the condition has been met. In subsequent periods, when the organization has met the condition, or the condition is explicitly waived by the donor, the liability for refundable advance is removed from the statement of financial position and the revenue is recognized. The Organization had a refundable advance in the amount of $116,622. The advance represents loan proceeds received under the Small Business Administration Paycheck Protection Program (PPP). The PPP loan is expected to be forgiven during the next fiscal year.

L. 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.

M. 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.

N. Advertising Costs

Advertising costs are expensed as incurred. There were no advertising expenses for the year ended June 30, 2020.

## (2) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of June 30, 2020, 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 | $ 686,039 |
| Less those unavailable for general expenditures | |
| within one year, due to: | |
| Donor-imposed restrictions- | |
| Restricted by donor with purpose restrictions | (69,731) |
| Financial assets available to meet cash needs for general expenditures within one year | $ 616,308 |

The Organization has $616,308 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 $414,208, grants receivable of $191,213, and other receivables of $10,887. 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, 2020:

| | |
|---|---|
| Lafayette City-Parish Consolidated Government | $ 129,414 |
| Cox Communications | 48,158 |
| Lafayette Utilities System | 13,641 |
| | $ 191,213 |

(4) Prepaid Expenses

Prepaid expenses consist of the following at June 30, 2020:

| | |
|---|---|
| Insurance | $ 13,114 |
| Software maintenance | 5,414 |
| | $ 18,528 |

(5) Property and Equipment

Property and equipment consist of the following as of June 30, 2020:

| | |
|---|---|
| Production and studio equipment | $ 366,401 |
| Furniture, equipment, and software | 137,332 |
| Leasehold improvements | 62,891 |
| Total property and equipment | 566,624 |
| Less: Accumulated depreciation | (499,383) |
| Property and equipment, net | $ 67,241 |

Depreciation expense for the year ended June 30, 2020 was $32,818.

(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, 2020:

| | |
|---|---|
| Operations - The Current | $64,041 |
| Membership Scholarship | 2,690 |
| Project Storm Drain | 3,000 |
| | $69,731 |

(7) Net Assets Released from Donor Restrictions

Details of net assets released from donor restrictions for the year ended June 30, 2020 is as follows:

| | |
|---|---|
| Operation- The Current | $57,097 |

(8) Operating Leases

Effective July 1, 2010, the Organization entered into a lease with the Lafayette City-Parish Consolidated Government for 8,300 feet of office space in the Rosa Parks Transportation Center for an initial primary term of 10 years commencing July 1, 2010 with options for two additional terms of five years each. Future minimum lease payments due under the terms of the initial primary term are as follows:

| Year Ending June 30, | |
|---|---|
| 2021 | $ 114,955 |

Lease expense amounted to $114,955 for the year ended June 30, 2020.

(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 $50,169 and $206,172, respectively. For the year ended June 30, 2020, approximately 95% of the Organization's revenue and other support were from these contracts. If these contracts are modified or cancelled, the impact on the Organization would be severe.

(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, 2020, the Organization's cash balances exceeded FDIC coverage in the amount of $167,849.

(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.

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

The schedule of compensation and benefits paid to Ed Bowie, Executive Director, for the year ended June 30, 2020 follows:

| Purpose | Amount |
|---|---|
| Salary | $ 78,500 |
| Benefits - insurance | 8,291 |

(15) New Accounting Pronouncements

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09 Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance for exchange transactions. The new standard's core principle is that a revenue will be recognized when it transfers promised goods or services in an amount that reflects the consideration to the entity expects to be entitled in exchange for those goods or services. Consequently, the recognition of revenue in exchange transactions will require more judgement and estimates than under existing guidance. The new standard will be effective for the year ending June 30, 2021 and is not expected to have a significant impact on the Organization's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements.

(16) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the Organization's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time

(17) Subsequent Events Review

The Organization's management has evaluated subsequent events through October 19, 2020, the date which the financial statements were available to be issued.

## INTERNAL CONTROL, COMPLIANCE

## AND

## OTHER MATTERS

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

WWW.KCSRCPAS.COM


## 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 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, 2020, 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 19, 2020.

**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 2020-001 that we considered to be a material weakness.

**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**

The Acadiana Open Channel, Inc.'s response to the finding identified in our audit is 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 auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 suited 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 19, 2020

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, 2020

Part 1. 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-

2020-001 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-

2019-001 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 2020-001.