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ACADIANA OPEN CHANNEL, INC.
FINANCIAL STATEMENTS AND
AUDITORS' REPORT
Years Ended June 30, 1999
and June 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-01-00

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November 12, 1999

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Acadiana Open Channel, Inc. as of June 30, 1999 and 1998 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Moore & Rolfes

Moore & Rolfes
Lafayette, Louisiana

ACADIANA OPEN CHANNEL, INC.
STATEMENTS OF FINANCIAL POSITION

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and cash equivalents	\$ 300,763	\$ 159,904
Certificates of deposit	51,131	73,156
Due from Lafayette City-Parish Consolidated Government	-	105,291
Accounts receivable	321	401
Prepaid expenses and other assets	6,421	7,909
Property and equipment, net	<u>62,052</u>	<u>56,810</u>
 Total assets	 <u>\$ 420,688</u>	 <u>\$ 403,471</u>
 LIABILITIES		
Accounts payable and accrued expenses	\$ 4,543	\$ 2,237
 NET ASSETS		
Unrestricted	<u>416,145</u>	<u>401,234</u>
 Total liabilities and net assets	 <u>\$ 420,688</u>	 <u>\$ 403,471</u>

See Notes to Financial Statements.

ACADIANA OPEN CHANNEL, INC.

STATEMENTS OF ACTIVITIES

Year ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
SUPPORT AND REVENUE		
Grants	\$269,927	\$ 259,079
Dub sales	2,463	2,550
Supply sales	1,032	1,085
Workshop registration	3,783	2,835
Interest income	9,687	10,462
Gain (loss) on disposition of assets	(2,477)	-
Miscellaneous	663	2,578
Total support and revenue	<u>285,078</u>	<u>278,589</u>
EXPENSES		
Program expenses:		
Access user development	8,029	2,773
Advertising and promotional	911	1,147
Consulting	1,000	-
Depreciation	22,179	20,314
Dues, subscriptions and memberships	725	1,300
Employee benefits and payroll taxes	18,740	14,806
Miscellaneous	394	450
Rent	9,726	9,726
Repairs	9,196	10,655
Salaries	119,294	103,297
Supplies	6,638	7,788
Supplies sales expense	324	879
Telephone	4,912	4,839
Training	1,420	604
Travel	2,772	2,115
Underwriting	-	239
Workshops	488	446
Total program services	<u>206,748</u>	<u>181,378</u>
Supporting services:		
Management and general	63,419	66,127
Total expenses	<u>270,167</u>	<u>247,505</u>
INCREASE IN UNRESTRICTED NET ASSETS	14,911	31,084
NET ASSETS AT BEGINNING OF YEAR	<u>401,234</u>	<u>370,150</u>
NET ASSETS AT END OF YEAR	<u>\$ 416,145</u>	<u>\$ 401,234</u>

See Notes to Financial Statements.

ACADIANA OPEN CHANNEL, INC.
STATEMENTS OF CASH FLOWS
Year ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 14,911	\$ 31,084
Adjustments to reconcile increase in net assets to net cash provided by (used in) operations		
Depreciation	22,179	20,314
Change in assets and liabilities:		
Due from Lafayette City-Parish Consolidated Government	105,291	(105,291)
Accounts receivable	80	161
Prepaid expenses and other assets	1,512	4,098
Accounts payable and accrued expenses	<u>2,306</u>	<u>(11,411)</u>
Net cash provided by (used in) operating activities	<u>146,279</u>	<u>(61,045)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(27,445)	(21,085)
Maturities of certificates of deposit	22,025	82,449
Purchase of certificates of deposit	<u>---</u>	<u>(73,156)</u>
Net cash provided by (used in) investing activities	<u>(5,420)</u>	<u>(11,792)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	140,859	(72,837)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>159,904</u>	<u>232,741</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 300,763</u>	<u>\$ 159,904</u>

See Notes to Financial Statements.

ACADIANA OPEN CHANNEL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1999 and 1998

Note 1 - Summary of Significant Accounting Policies

Business Activity

Acadiana Open Channel, Inc. (AOC) is a Louisiana non-profit organization. Its purpose is to coordinate the use of public access channels provided by the cable television system in Lafayette, Louisiana. AOC 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.

Basis of Presentation

The financial statements of AOC are prepared on the accrual basis.

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, AOC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. AOC does not have any temporarily or permanently restricted net assets.

The costs of providing AOC's programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly certain costs have been allocated among the programs and supporting services benefited.

Property and Equipment

Property and equipment are summarized by major classifications as follows:

	<u>1999</u>	<u>1998</u>
Furniture and fixtures	\$ 15,758	\$ 40,234
Leasehold improvements	12,875	12,875
Production and studio equipment	<u>260,276</u>	<u>388,076</u>
	288,909	441,185
Less: accumulated depreciation	<u>(226,857)</u>	<u>(384,375)</u>
	<u>\$ 62,052</u>	<u>\$ 56,810</u>

The property and equipment of AOC are stated at cost and are being depreciated by the straight-line method for financial reporting purposes over the estimated useful lives shown below.

Years

Furniture and equipment	3 - 7
Leasehold improvements	5 - 10
Production and studio equipment	3 - 5

The costs of repairs and maintenance of property and equipment are charged to expense as incurred. Expenditures for additions, improvements and replacements are capitalized. The cost and related accumulated depreciation of property and equipment retired are removed from the accounts and any resulting gain or loss is recognized.

Depreciation amounted to \$22,179 for 1999 and \$20,314 for 1998.

Continued

ACADIANA OPEN CHANNEL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 1999 and 1998

Statements of Cash Flows

For purposes of the Statement of Cash Flows, AOC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Income Taxes

AOC is an exempt organization for federal income tax purposes under Section 501(C)3 of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Support and Revenue Sources

AOC receives grants and contributions from various entities. Two major contributors are Telecable Associates, Inc. (acquired by Cox Communications August 9, 1999) and the Lafayette City-Parish Consolidated Government. AOC receives annual funding from Telecable Associates, Inc. in the amount of \$50,000. AOC also has been granted one-half of the Lafayette City-Parish Consolidated Government's yearly cable franchise fees in return for coordinating the use of the public access channels as provided for in the Lafayette City-Parish Consolidated Government's agreement with Telecable Associate, Inc., allowing the operation of cable television. The cable franchise agreement between Telecable Associates, Inc. and the Lafayette City-Parish Consolidated Government is under extension and expires December 31, 1999.

Note 3 - Contributed Services

AOC receives a significant amount of donated services from unpaid volunteers who perform a variety of tasks that assist the organization. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

Note 4 - Leases

AOC rents office and production facilities from Acadiana Arts Council, Inc. for \$811 per month on a month-to-month arrangement.

Note 5 - Concentrations

Approximately 93% of AOC's support was provided by Telecable Associates, Inc., and the one-half of the Lafayette City-Parish Consolidated Government's yearly cable franchise fees.

Concluded