

**NEW ORLEANS VIDEO ACCESS CENTER, INC.**

FINANCIAL STATEMENTS

December 31, 2022 and 2021



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
New Orleans Video Access Center, Inc.  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of New Orleans Video Access Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New Orleans Video Access Center, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### ***Auditors' 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 auditors' 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.
- 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 New Orleans Video Access Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Orleans Video Access Center, 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.

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023 on our consideration of New Orleans Video Access Center, 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 New Orleans Video Access Center, 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 New Orleans Video Access Center, Inc.'s internal control over financial reporting and compliance.

Metairie, Louisiana  
June 30, 2023

*Wegmann Bazet, A.P.C.*

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 99,503	\$ 108,790
Accounts receivable	-	10,600
Grants receivable	20,569	17,317
Prepaid expenses	5,764	7,801
Total current assets	125,836	144,508
Endowment fund - restricted	18,910	21,541
Operating lease right-of-use asset, less amortization	84,386	-
Deposits	2,687	6,412
Total assets	\$ 231,819	\$ 172,461
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 12,015	\$ 12,893
Current portion of operating lease liability	40,555	-
Total current liabilities	52,570	12,893
Operating lease liability, less current portion	44,848	-
Total liabilities	97,418	12,893
<b>NET ASSETS</b>		
Net assets		
Without donor restrictions	99,241	138,027
With donor restrictions		
Purpose restriction	16,250	-
Perpetual in nature	18,910	21,541
Total net assets	134,401	159,568
Total liabilities and net assets	\$ 231,819	\$ 172,461

See accompanying Notes to Financial Statements.

## NEW ORLEANS VIDEO ACCESS CENTER, INC.

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Grants	\$ 61,272	\$ 127,908	\$ 189,180
Membership dues	3,587	-	3,587
Contributions	122,567	-	122,567
Sponsorship	144,675	-	144,675
Net investment loss	-	(2,461)	(2,461)
Miscellaneous	2,261	-	2,261
Program fees	327,656	-	327,656
Net assets released from restrictions	<u>111,658</u>	<u>(111,658)</u>	<u>-</u>
Total revenue	<u>773,676</u>	<u>13,789</u>	<u>787,465</u>
Expenses			
Program services	563,177	-	563,177
Supporting services			
Fundraising	154	-	154
Management and general	<u>249,131</u>	<u>170</u>	<u>249,301</u>
Total expenses	<u>812,462</u>	<u>170</u>	<u>812,632</u>
Change in net assets	(38,786)	13,619	(25,167)
Net assets			
Beginning of year	<u>138,027</u>	<u>21,541</u>	<u>159,568</u>
End of year	<u>\$ 99,241</u>	<u>\$ 35,160</u>	<u>\$ 134,401</u>

See accompanying Notes to Financial Statements.

## NEW ORLEANS VIDEO ACCESS CENTER, INC.

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Grants	\$ 18,815	\$ 43,132	\$ 61,947
Membership dues	4,025	-	4,025
Contributions	145,601	500	146,101
Sponsorship	132,600	-	132,600
Net investment gain	245	3,124	3,369
Miscellaneous	20	-	20
Program fees	399,315	-	399,315
Net assets released from restrictions	<u>61,623</u>	<u>(61,623)</u>	<u>-</u>
Total revenue	<u>762,244</u>	<u>(14,867)</u>	<u>747,377</u>
Expenses			
Program services	571,246	-	571,246
Supporting services			
Fundraising	142	-	142
Management and general	<u>155,383</u>	<u>189</u>	<u>155,572</u>
Total expenses	<u>726,771</u>	<u>189</u>	<u>726,960</u>
Change in net assets	35,473	(15,056)	20,417
Net assets			
Beginning of year	<u>102,554</u>	<u>36,597</u>	<u>139,151</u>
End of year	<u>\$ 138,027</u>	<u>\$ 21,541</u>	<u>\$ 159,568</u>

See accompanying Notes to Financial Statements.

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Program Services	Supporting Services		Total Expenses
	Program	Fundraising	Management and General	
Advertising	\$ 9	\$ -	\$ 18	\$ 27
Audit costs	-	-	6,142	6,142
Bad debt expense	5,000	-	-	5,000
Bank service charge	334	-	138	472
Dues and subscriptions	16	-	1,289	1,305
Equipment	4,633	142	300	5,075
Fiscal sponsorship	115,129	-	-	115,129
Insurance	1,440	-	3,810	5,250
Investment fees	-	-	170	170
Licenses and permits	-	-	40	40
Meals and entertainment	3,198	-	2,107	5,305
Office supplies	1,101	12	2,913	4,026
Other expense	-	-	3,458	3,458
Postage and delivery	-	-	171	171
Printing and reproduction	747	-	967	1,714
Professional services	114,200	-	57,146	171,346
Rent expense	6,845	-	54,121	60,966
Software	23,052	-	1,066	24,118
Supplies other	6,567	-	-	6,567
Travel	4,140	-	15,769	19,909
Utilities	-	-	8,511	8,511
Wages and payroll expenses	276,766	-	91,165	367,931
Total expenses	<u>\$ 563,177</u>	<u>\$ 154</u>	<u>\$ 249,301</u>	<u>\$ 812,632</u>

See accompanying Notes to Financial Statements.

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Program Services	Supporting Services		Total Expenses
	Program	Fundraising	Management and General	
Advertising	\$ 32	\$ -	\$ 1,122	\$ 1,154
Audit costs	-	-	8,678	8,678
Bank service charge	557	-	376	933
Dues and subscriptions	4,733	75	955	5,763
Equipment	4,461	-	313	4,774
Fiscal sponsorship	116,386	-	-	116,386
Insurance	5,363	-	2,135	7,498
Investment fees	-	-	189	189
Licenses and permits	9,000	-	15	9,015
Meals and entertainment	2,048	-	-	2,048
Office supplies	90	-	2,320	2,410
Other expense	468	-	3,076	3,544
Postage and delivery	84	54	73	211
Printing and reproduction	131	-	123	254
Professional services	120,502	-	19,109	139,611
Rent expense	10,718	-	22,004	32,722
Software	11,772	-	1,271	13,043
Supplies other	9,096	13	-	9,109
Travel	9,602	-	4,229	13,831
Utilities	-	-	7,781	7,781
Wages and payroll expenses	266,203	-	81,803	348,006
Total expenses	<u>\$ 571,246</u>	<u>\$ 142</u>	<u>\$ 155,572</u>	<u>\$ 726,960</u>

See accompanying Notes to Financial Statements.

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (25,167)	\$ 20,417
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Amortization	1,017	-
Net loss (gain) on investments	2,631	(3,435)
(Increase) decrease in operating assets:		
Receivables	7,348	68,629
Prepaid expenses	2,037	(984)
Deposits	3,725	(1,975)
Increase (decrease) in operating liabilities:		
Accounts payable	(878)	(4,769)
Other current liabilities	-	(2,958)
Net cash (used) provided by operating activities	<u>(9,287)</u>	<u>74,925</u>
Net (decrease) increase	(9,287)	74,925
Cash and cash equivalents at beginning of year	<u>108,790</u>	<u>33,865</u>
Cash and cash equivalents at end of year	<u>\$ 99,503</u>	<u>\$ 108,790</u>

See accompanying Notes to Financial Statements.

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

1) Nature of activities

New Orleans Video Access Center, Inc. (the “Organization”) is a non-profit organization established in 1972 to cultivate a sustainable film community by providing access to resources, education and locally generated content. The Organization provides services to the community in the form of education, career development, community outreach, independent media productions and special events.

2) Summary of significant accounting policies

The significant accounting policies followed by the Organization are summarized as follows:

a) Financial statement presentation

The Organization’s policy is to prepare its financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

b) Cash and cash equivalents

All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

c) Accounts receivable

Accounts receivable are stated at the amount the Organization expects to collect. The Organization writes off uncollectible accounts as they are identified. No allowance for uncollectible accounts has been provided, as management has evaluated the accounts and believes they are all collectible.

d) 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

e) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	<u>Useful lives</u>
Video equipment	5 years
Computers	3 years

f) Grants receivable

Grants receivable represents amounts due from foundations and other organizations. Accounts are considered overdue if uncollected within ninety days of the original invoice. The Organization writes off uncollectible accounts as they are identified. No allowance for uncollectible accounts has been provided, as management has evaluated the accounts and believes they are all collectible.

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

2) Summary of significant accounting policies (continued)

g) Description of net assets classification

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for two classifications – with donor restrictions and without donor restrictions based on the existence or absence of donor imposed restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable advances until the conditions have been substantially met.

h) Revenue and cost recognition

The Organization recognizes donations when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

i) Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to certain limits. The Organization has not experienced any losses in such accounts. The Organization has no policy requiring collateral or other security to support its deposits.

The Organization at times extends credit to its members. The Organization performs ongoing credit evaluations of its members but generally does not require collateral to support accounts receivable.

j) Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and, accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

The Organization adopted the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits. With few exceptions, the Organization is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

2) Summary of significant accounting policies (continued)

k) Investments

Investments are reported at their fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investments with a maturity of one year or less are classified as current.

l) Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Where practicable, expenses are directly classified to specific program or supporting service categories. Costs that are not specifically identifiable within functional categories are classified using allocation methods. Allocated costs and methods include occupancy, salaries, payroll taxes and employee benefits allocated based on time studies.

m) Advertising

The Organization expenses advertising as incurred. Advertising expense was \$27 and \$1,154 for the years ended December 31, 2022 and 2021, respectively.

n) In-kind contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. We do not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2022 and 2021, respectively.

o) Leases

Effective January 1, 2022, the Organization adopted the amended provisions of Financial Accounting Standards Codification Topic 842, "Leases," using the modified retrospective approach, impacting the reporting and disclosures for operating leases. Under the revised standard, the Organization recognizes a liability representing the present value of future lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset over the lease term in the statement of financial position.

The Organization determines if an arrangement is a lease at inception of the contract and assesses the appropriate classification as finance or operating. Finance and operating lease liabilities represent the present value of minimum lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities. To determine the present value of lease payments, the Organization estimates an incremental borrowing rate which represents the rate used for a secured borrowing of a similar term as the lease. Variable lease payments that do not depend on an index or a rate, such as insurance and property taxes, are excluded from the measurement of the lease liability and are expensed when the obligation for that payment is incurred.

The lease term includes the initial contractual terms as well as any options to extend the lease when it is reasonably certain that the Organization will exercise that option. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Operating lease payments

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

2) Summary of significant accounting policies (continued)

o) Leases (continued)

are charged on a straight-line basis to rent expense over the lease term and finance lease payments are charged to interest expense and amortization over the lease terms. Assets under finance leases are amortized in accordance with the Organization’s normal depreciation policy for owned assets or over the lease term, if shorter.

The Organization evaluates whether events and circumstances have occurred that indicate right-of-use assets have been impaired. Measurement of any impairment of such assets is based on their fair values. Once a right-of-use asset for an operating lease is impaired, the carrying amount of the right-of-use asset is reduced through expense and the remaining balance is subsequently amortized on a straight-line basis. During 2022, the Organization determined that the carrying amount of right-of-use assets has not exceeded its fair value; accordingly, no impairment losses exist.

For periods prior to January 1, 2022, lease accounting was in accordance with the previously effective guidance of Financial Accounting Standard Codifications Topic 840, “Leases,” where operating lease costs were expensed as incurred and non-cancellable future minimum operating lease payments were presented for disclosure only.

p) Reclassification

Certain reclassifications have been made to the prior year financial statement presentation. Total net assets and change in net assets are unchanged due to these reclassifications.

3) Property and equipment

Property and equipment is summarized as follows:

	<u>2022</u>	<u>2021</u>
Video equipment	\$ 7,060	\$ 7,060
Computers	910	910
Total cost	<u>7,970</u>	<u>7,970</u>
Less accumulated depreciation	<u>(7,970)</u>	<u>(7,970)</u>
Property and equipment	<u>\$ -</u>	<u>\$ -</u>

4) Restrictions on net assets

Net assets with donor restrictions consists of the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditures for specified purpose:		
Workforce development	\$ 16,250	\$ -
Endowment	<u>18,910</u>	<u>21,541</u>
Total donor restricted assets	<u>\$ 35,160</u>	<u>\$ 21,541</u>

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

5) Investment income

A summary of return on investment consists of the following for the years ended December 31, 2022 and 2021:

	2022	2021
Endowment fund – restricted		
Investment income	\$ 221	\$ 222
Realized/unrealized (loss) gain	(2,682)	2,902
	\$ (2,461)	\$ 3,124

6) Endowment fund

The Board of Directors of the Organization has interpreted UPMIFA as not expressly requiring the preservation of purchasing power (real value) for donor restricted endowment funds absent donor stipulations to the contrary. The New Orleans Video Access Center Fund contains no such stipulations. In accordance with the Organizations governing instruments, the assets are held as endowment funds until such time (if ever) as the Organization’s governing body deems it prudent and appropriate to expend some part of the principal or appreciation.

The Organization classifies as permanently restricted net assets the original value of gifts donated for permanent endowment, any subsequent gifts to such endowments, and accumulations subsequently made at the direction of the applicable donor instrument.

The New Orleans Video Access Center Fund is a permanently restricted endowment corpus that is included on the statements of financial position. Once the fund exceeds \$10,000, the Organization can elect to receive the quarterly interest income. The fund is managed by Greater New Orleans Foundation. The Organization elected not to receive the interest income from this endowment for the years ended December 31, 2022 and 2021. The balance of the endowment fund was \$18,910 and \$21,541 for the years ended December 31, 2022 and 2021, respectively.

7) Fair value measurement

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

- Level 1     Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2     Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NEW ORLEANS VIDEO ACCESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021

7) Fair value measurement (continued)

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

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

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

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022:

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Endowment	\$ 18,910	\$ -	\$ -	\$ 18,910
Total assets at fair value	<u>\$ 18,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,910</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2021:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Endowment	\$ 21,541	\$ -	\$ -	\$ 21,541
Total assets at fair value	<u>\$ 21,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,541</u>

8) Operating leases

The Organization entered into a lease agreement effective December 1, 2021 for office space. The lease expires on November 30, 2024, unless terminated early in accordance with the lease agreement. Prior to entering this agreement, the Organization rented its New Orleans location on a month-to-month basis from a different lessor. The Organization rents its Baton Rouge location under a renewing one-year lease agreement expiring annually in April. In April 2022, the Organization extended the lease for an additional year and has the option to renew.

The following table sets forth the components of the Organization's lease expense for the year ended December 31, 2022.

	<u>2022</u>
Operating lease expense	\$ 45,721
Short-term lease expense - Baton Rouge	8,400
Total	<u>\$ 54,121</u>

## NEW ORLEANS VIDEO ACCESS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021

8) Operating leases (continued)

The following table reconciles the undiscounted cash flows of the remaining years to the operating lease liabilities recorded on the statements of financial position at December 31, 2022.

For the years ending December 31:	Amount
2023	\$ 45,720
2024	46,740
	<u>92,460</u>
Present value discount	<u>(7,057)</u>
Present value of operating lease liability	85,403
Current portion of operating lease liability	<u>(40,555)</u>
Operating lease liability, less current portion	<u>\$ 44,848</u>

The Organization elected the optional transition method to not restate prior periods. Rental expense under ASC 840 was approximately \$22,300 for the year ended December 31, 2021.

Future aggregate minimum lease payments under non-cancelable operating leases having a remaining term in excess of one year as of December 31, 2021 were as follows:

<u>Year Ending December 31,</u>	Amount
2022	\$ 53,189
2023	48,605
2024	42,841

9) Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following:

Financial assets:	
Cash and cash equivalents	\$ 99,503
Accounts and grants receivables	<u>20,569</u>
Financial assets, at year end	<u>120,072</u>
Less those unavailable for general expenditure within one year, due to	
Restriction by donor for specified purpose	<u>(16,250)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 103,822</u>

10) Subsequent events

The Organization has evaluated subsequent events through the date of the auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

INDEPENDENT AUDITORS' 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  
New Orleans Video Access Center, Inc.  
New Orleans, 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 New Orleans Video Access Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2023.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered New Orleans Video Access Center, Inc.'s internal control over financial reporting (internal control) to determine the 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 New Orleans Video Access Center, 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 Organization'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 the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether New Orleans Video Access Center, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Metairie, Louisiana  
June 30, 2023

*Wegmann Bazet, A.P.C.*

NEW ORLEANS VIDEO ACCESS CENTER, INC.  
SUMMARY OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD  
For the Year Ended December 31, 2022

SUMMARY OF COMPENSATION

India Robins  
Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 10,000