

NEW ORLEANS VIDEO ACCESS CENTER, INC.
FINANCIAL STATEMENTS

December 31, 2012 and 2011

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 OCT 09 2013

NEW ORLEANS VIDEO ACCESS CENTER, INC

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying statement of financial position New Orleans Video Access Center, Inc (a nonprofit organization) as of December 31, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements

The statements for the year ended December 31, 2011, were audited by us and we have expressed an unqualified opinion on them in our report dated June 11, 2012, but we have not performed any auditing procedures since that date

June 27, 2013

Wegmann Dazet & Company

NEW ORLEANS VIDEO ACCESS CENTER, INC
STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ -	\$ 28,745
Accounts receivable	7,535	49,634
Prepaid expenses	-	3,626
Total current assets	<u>7,535</u>	<u>82,005</u>
Endowment fund - restricted	11,000	9,948
Deposits	<u>3,237</u>	<u>3,237</u>
Total assets	<u><u>\$ 21,772</u></u>	<u><u>\$ 95,190</u></u>
LIABILITIES		
Current liabilities		
Cash overdraft	\$ 273	\$ -
Accounts payable	4,194	19,042
Accrued expenses	855	1,562
Current portion of long-term debt	13,307	12,085
Total current liabilities	<u>18,629</u>	<u>32,689</u>
Long-term debt, less current portion	<u>21,023</u>	<u>34,257</u>
Total liabilities	<u><u>39,652</u></u>	<u><u>66,946</u></u>
NET ASSETS		
Net assets		
Unrestricted	(31,880)	18,296
Temporarily restricted	3,000	-
Permanently restricted	11,000	9,948
Total net assets	<u>(17,880)</u>	<u>28,244</u>
Total liabilities and net assets	<u><u>\$ 21,772</u></u>	<u><u>\$ 95,190</u></u>

See accompanying Notes and Independent Accountants' Compilation Report

NEW ORLEANS VIDEO ACCESS CENTER, INC
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues				
Grants	\$ 12,700	\$ 10,680	\$ -	\$ 23,380
Membership dues	5,880	-	-	5,880
Workshop fees	13,142	-	-	13,142
Contributions	4,871	-	-	4,871
Sponsorship	5,950	-	-	5,950
Production fees	54,576	-	-	54,576
Investment	-	-	1,104	1,104
Fundraising	2,933	-	-	2,933
Miscellaneous	4,885	-	-	4,885
Net assets released from restrictions	<u>7,680</u>	<u>(7,680)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>112,617</u>	<u>3,000</u>	<u>1,104</u>	<u>116,721</u>
Expenses				
Program services	139,691	-	-	139,691
Supporting services				
Fund Raising	9,691	-	-	9,691
Management and general	<u>13,411</u>	<u>-</u>	<u>52</u>	<u>13,463</u>
Total expenses	<u>162,793</u>	<u>-</u>	<u>52</u>	<u>162,845</u>
Change in net assets	(50,176)	3,000	1,052	(46,124)
Net assets				
Beginning of year	<u>18,296</u>	<u>-</u>	<u>9,948</u>	<u>28,244</u>
End of year	<u>\$ (31,880)</u>	<u>\$ 3,000</u>	<u>\$ 11,000</u>	<u>\$ (17,880)</u>

See accompanying Notes and Independent Accountants' Compilation Report

NEW ORLEANS VIDEO ACCESS CENTER, INC
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues				
Grants	\$ 21,167	\$ 61,900	\$ -	\$ 83,067
Membership dues	5,475	-	-	5,475
Workshop fees	45,455	-	-	45,455
Contributions	9,180	-	-	9,180
Sponsorship	4,825	23,060	-	27,885
Investment	-	-	285	285
Fundraising	1,449	-	-	1,449
Miscellaneous	11,650	-	-	11,650
Net assets released from restrictions	<u>104,357</u>	<u>(104,357)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>227,658</u>	<u>(19,397)</u>	<u>285</u>	<u>208,546</u>
Expenses				
Program services	237,800	-	-	237,800
Supporting services				
Fund Raising	8,790	-	-	8,790
Management and general	<u>17,700</u>	<u>-</u>	<u>50</u>	<u>17,750</u>
Total expenses	<u>264,290</u>	<u>-</u>	<u>50</u>	<u>264,340</u>
Change in net assets	(36,632)	(19,397)	235	(55,794)
Net assets				
Beginning of year	<u>54,928</u>	<u>19,397</u>	<u>9,713</u>	<u>84,038</u>
End of year	<u>\$ 18,296</u>	<u>\$ -</u>	<u>\$ 9,948</u>	<u>\$ 28,244</u>

See accompanying Notes and Independent Accountants Compilation Report

NEW ORLEANS VIDEO ACCESS CENTER, INC
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2012

	Program	Fundraising	Management and general	Total Expenses
Bank service charge	\$ 851	\$ 87	\$ 345	\$ 1,283
Audit costs	-	-	6,193	6,193
Dues and subscriptions	-	-	1,503	1,503
Equipment	1,811	-	816	2,627
Insurance	-	-	6,139	6,139
Interest expense	-	-	4,244	4,244
Marketing	-	-	270	270
Meals and entertainment	2,382	-	-	2,382
Office supplies	195	22	2,082	2,299
Other expense	-	70	24	94
Postage and delivery	63	313	92	468
Printing and reproduction	577	513	897	1,987
Professional services	22,137	1,771	4,463	28,371
Rent expense	-	1,200	14,400	15,600
Repairs and maintenance	-	-	358	358
Wages and payroll expenses	-	-	69,919	69,919
Supplies other	730	-	-	730
Telephone	-	-	4,385	4,385
Travel	5,975	2,095	373	8,443
Utilities	-	-	5,550	5,550
Year end expense allocation	104,970	3,620	(108,590)	-
Total expenses	\$ 139,691	\$ 9,691	\$ 13,463	\$ 162,845

See accompanying Notes and Independent Accountants' Compilation Report

NEW ORLEANS VIDEO ACCESS CENTER, INC
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2011

	<u>Program</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Total Expenses</u>
Bank service charge	\$ 656	\$ 2	\$ 172	\$ 830
Consulting	-	2,090	-	2,090
Audit costs	-	-	6,959	6,959
Dues and subscriptions	-	1,716	2,357	4,073
Equipment rental	-	825	368	1,193
Fiscal sponsorship	21,860	-	-	21,860
Insurance	165	-	2,167	2,332
Interest expense	-	-	5,082	5,082
Marketing	180	-	-	180
Meals and entertainment	1,137	-	-	1,137
Office supplies	6	-	2,537	2,543
Other expense	75	-	-	75
Postage and delivery	274	236	414	924
Printing and reproduction	1,264	1,342	158	2,764
Professional services	31,062	550	16,769	48,381
Rent expense	1,655	440	13,415	15,510
Repairs and maintenance	401	-	37	438
Wages and payroll expenses	11,813	-	109,275	121,088
Software	140	-	-	140
Supplies other	7,849	24	491	8,364
Telephone	215	-	2,178	2,393
Travel	6,059	1,565	2,241	9,865
Utilities	436	-	5,683	6,119
Year end expense allocation	152,553	-	(152,553)	-
Total expenses	<u>\$ 237,800</u>	<u>\$ 8,790</u>	<u>\$ 17,750</u>	<u>\$ 264,340</u>

See accompanying Notes and Independent Accountants' Compilation Report

NEW ORLEANS VIDEO ACCESS CENTER, INC
STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	\$ (46,124)	\$ (55,794)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Net gain on investments	(1,052)	(235)
(Increase) decrease in operating assets		
Receivables	42,099	9,728
Prepaid expenses	3,626	(903)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(15,555)	14,921
Increase in bank overdrafts	273	-
Net cash used by operating activities	<u>(16,733)</u>	<u>(32,283)</u>
Cash flows from financing activities		
Repayments of long-term debt	<u>(12,012)</u>	<u>(10,906)</u>
Net cash used by financing activities	<u>(12,012)</u>	<u>(10,906)</u>
Net decrease	(28,745)	(43,189)
Cash and cash equivalents at beginning of year	<u>28,745</u>	<u>71,934</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 28,745</u>

See accompanying Notes and Independent Accountants' Compilation Report

NEW ORLEANS VIDEO ACCESS CENTER, INC
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2012 and 2011

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 principles

The financial statements of the Organization have been prepared on the accrual basis of accounting. Significant accounting policies are summarized below:

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>
Computers	3 years
Video Equipment	5 years

See Independent Accountants' Compilation Report

NEW ORLEANS VIDEO ACCESS CENTER, INC
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2012 and 2011

2) Summary of significant accounting principles (continued)

f) Description of net assets classification

Financial Accounting Standards Board Accounting Standards Codification 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for three classifications – permanently restricted, temporarily restricted and unrestricted 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 unrestricted net assets. 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.

g) Concentration 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 (FDIC) 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.

h) Advertising

The organization expenses advertising as incurred. Advertising expense was \$270 and \$180 for the years ended December 31, 2012 and 2011, respectively.

i) 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 Financial Accounting Standards Board Accounting Standards Codification 740, *Accounting for Uncertainty in Income Taxes*. Management of New Orleans Video Access Center, Inc. believes there is no material uncertain tax position and, accordingly, it will not recognize any liability for unrecognized tax benefits. With few exceptions, New Orleans Video Access Center, Inc. is no longer subject to United States federal or Louisiana state income tax examinations by tax authorities for the years before 2009.

NEW ORLEANS VIDEO ACCESS CENTER, INC
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2012 and 2011

3) Property and equipment

Property and equipment is summarized as follows

	<u>2012</u>	<u>2011</u>
Video equipment	\$ 7,060	\$ 7,060
Computers	<u>910</u>	<u>910</u>
Total cost	7,970	7,970
Less accumulated depreciation	<u>7,970</u>	<u>7,970</u>
Property and equipment	<u>\$ -</u>	<u>\$ -</u>

4) Endowment Fund

The Organization maintains an endowment corpus that is included on its Statement of Financial Position. Once the fund exceeds \$10,000, the Organization will begin to receive the quarterly interest income. The fund is managed by Greater New Orleans Foundation. The Organization received no interest income from this endowment for the years ended December 31, 2012 and 2011. The balance of the endowment fund was \$11,000 and \$9,948 for the years ended December 31, 2012 and 2011, respectively.

5) Operating lease

The Organization leases its office location under a month to month operating lease. Total rental expense under the lease was \$15,600 and \$15,510 for the years ended December 31, 2012 and 2011, respectively.

6) Long-term debt

Long-term debt consists of the following at December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
A note payable to a bank paid in quarterly installments of approximately \$4,040, including interest of 9.75%. The note is secured by the assets of the Organization and matures on July 1, 2015	\$ 34,330	\$ 46,342
Total long-term debt	<u>34,330</u>	<u>46,342</u>
Less current portion	<u>13,307</u>	<u>12,085</u>
Long-term debt, less current portion	<u>\$ 21,023</u>	<u>\$ 34,257</u>

The maturities of long-term debt are as follows

2013	\$ 13,307
2014	14,653
2015	6,370

See Independent Accountants' Compilation Report

NEW ORLEANS VIDEO ACCESS CENTER, INC
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2012 and 2011

7) Federal financial assistance

The Organization was awarded a grant from the Louisiana Workforce Commission to assist in implementing a Recovery Workforce Training Program utilizing federal Housing and Urban Development Community Development Block Grant to address the need for trained workers to support recovery and rebuilding of the Greater New Orleans Area. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended December 31, 2011 was as follows:

	<u>2011</u>
Grant Receipts	\$ 58,585
Prior Year Grant Expenditures	54,009
Grant Expenditures	4,576
Due from grant at end of year	\$ -

The Organization was also awarded a grant from the Arts Council of New Orleans to support the continued employment of the Digital Media Institute Program Manager. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended December 31, 2011 was as follows:

	<u>2011</u>
Grant Receipts	\$ 2,250
Prior Year Grant Expenditures	2,250
Grant Expenditures	-
Due from grant at end of year	\$ -

8) Temporarily restricted net assets

The Organization received funding for its youth programs in 2012 and at the year ended December 31, 2012 \$3,000 was temporarily restricted for youth programs.

9) Supplemental statement of cash flows information

Cash paid for interest expense was \$4,155 and \$5,262 for the years ended December 31, 2012 and 2011, respectively.

10) Subsequent events

Management has evaluated subsequent events through June 27, 2013, 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.