

THE IDEA VILLAGE, INC.

FINANCIAL STATEMENTS

June 30, 2022 and 2021

THE IDEA VILLAGE, INC.
NEW ORLEANS, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Idea Village, Inc.
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of The Idea Village, Inc., which comprise the statements of financial position as of June 30, 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 financial statements referred to above present fairly, in all material respects, the financial position of The Idea Village, Inc. as of June 30, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Idea Village, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Idea Village, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are 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

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 The Idea Village, 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 The Idea Village, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Summary of Compensation, Benefits and Other Payments to Agency Heads is presented for purposes of additional analysis and is not a required part of the financial statements. Such information 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. The 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 a report December 8, 2022 on our consideration of The Idea Village, Inc.'s internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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 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 The Idea Village, Inc.'s internal control over financial reporting and compliance.

Metairie, Louisiana
December 8, 2022

Wegmann Bazet APC

THE IDEA VILLAGE, INC.
STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 648,554	\$ 667,103
Contributions receivable	89,258	-
Pledges receivable	15,000	15,000
Total current assets	752,812	682,103
Notes receivable	100,000	100,000
Investments	200,000	200,000
Total assets	\$ 1,052,812	\$ 982,103
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 28,678	\$ 16,760
Other current liabilities	3,599	4,729
Deferred revenue	-	60,000
Refundable Advances	125,000	65,000
Current portion of long-term debt	-	9,879
Total current liabilities	157,277	156,368
Long-term debt, less current portion	-	57,241
Total liabilities	157,277	213,609
NET ASSETS		
Net assets		
Without donor restrictions	895,535	768,494
Total net assets	895,535	768,494
Total liabilities and net assets	\$ 1,052,812	\$ 982,103

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Donations	\$ 120,195	\$ 1,268,081	\$ 1,388,276
Program fees	16,264	-	16,264
Other revenue	70,158	-	70,158
In-kind donations	115,497	-	115,497
Net assets released from restrictions	<u>1,268,081</u>	<u>(1,268,081)</u>	<u>-</u>
Total revenues	<u>1,590,195</u>	<u>-</u>	<u>1,590,195</u>
Expenses			
Program services			
Fundraising	136,549	-	136,549
Supporting services			
Core activities	1,046,000	-	1,046,000
General and administrative	<u>280,605</u>	<u>-</u>	<u>280,605</u>
Total expenses	<u>1,463,154</u>	<u>-</u>	<u>1,463,154</u>
Change in net assets	127,041	-	127,041
Net assets			
Beginning of year	<u>768,494</u>	<u>-</u>	<u>768,494</u>
End of year	<u>\$ 895,535</u>	<u>\$ -</u>	<u>\$ 895,535</u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Donations	\$ 615,396	\$ 700,000	\$ 1,315,396
Program fees	8,768	-	8,768
Other revenue	51,619	-	51,619
Net assets released from restrictions	<u>700,000</u>	<u>(700,000)</u>	<u>-</u>
Total revenues	<u>1,375,783</u>	<u>-</u>	<u>1,375,783</u>
Expenses			
Program services			
Fundraising	94,820	-	94,820
Supporting services			
Core activities	828,184	-	828,184
General and administrative	<u>231,563</u>	<u>-</u>	<u>231,563</u>
Total expenses	<u>1,154,567</u>	<u>-</u>	<u>1,154,567</u>
Change in net assets	221,216	-	221,216
Net assets			
Beginning of year	<u>547,278</u>	<u>-</u>	<u>547,278</u>
End of year	<u><u>\$ 768,494</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 768,494</u></u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	<u>Program Services</u>		<u>General and Administrative</u>	<u>Total Expenses</u>
	<u>Fundraising</u>	<u>Core Activities</u>		
Accounting	\$ -	\$ -	\$ 12,296	\$ 12,296
Contract labor fees	-	108,594	8,061	116,655
Events expense	-	254,912	-	254,912
Information technology	-	4,406	-	4,406
Insurance	10,919	28,619	1,969	41,507
In-kind expense	-	92,132	23,365	115,497
Marketing	-	31,668	-	31,668
Meeting	-	31,298	-	31,298
Office supplies	-	3,620	8,574	12,194
Other expense	2,549	15,834	18,331	36,714
Payroll taxes and employee benefits	7,249	28,286	5,794	41,329
Production	-	16,000	-	16,000
Professional fees	7,500	-	-	7,500
Professional development	5,205	5,503	44,050	54,758
Rent expense	-	-	120,619	120,619
Salary and wages	103,127	419,883	36,429	559,439
Travel	-	5,245	1,117	6,362
	<u>-</u>	<u>5,245</u>	<u>1,117</u>	<u>6,362</u>
 Total expenses	 <u>\$ 136,549</u>	 <u>\$ 1,046,000</u>	 <u>\$ 280,605</u>	 <u>\$ 1,463,154</u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	<u>Program Services</u>		<u>General and Administrative</u>	<u>Total Expenses</u>
	<u>Fundraising</u>	<u>Core Activities</u>		
Accounting	\$ -	\$ -	\$ 11,153	\$ 11,153
Auto rental	-	377	-	377
Contract labor fees	-	63,067	-	63,067
Events expense	-	178,399	-	178,399
Information technology	-	27,622	-	27,622
Insurance	543	25,408	166	26,117
In-kind expense	-	49,000	19,306	68,306
Marketing	-	620	-	620
Meals and entertainment	77	80	-	157
Meeting	-	9,746	-	9,746
Office supplies	-	2,193	1,563	3,756
Other expense	3,604	20,938	32,588	57,130
Parking and tolls	-	161	187	348
Payroll taxes and employee benefits	5,889	30,546	354	36,789
Printing and reproduction	-	1,266	151	1,417
Professional fees	7,700	-	-	7,700
Professional development	28	6,968	45,717	52,713
Public relations	-	1,000	-	1,000
Rent expense	-	10,236	117,021	127,257
Salary and wages	76,979	399,295	3,225	479,499
Travel	-	1,262	132	1,394
	<u>\$ 94,820</u>	<u>\$ 828,184</u>	<u>\$ 231,563</u>	<u>\$ 1,154,567</u>
Total expenses	<u>\$ 94,820</u>	<u>\$ 828,184</u>	<u>\$ 231,563</u>	<u>\$ 1,154,567</u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 127,041	\$ 221,216
Adjustments to reconcile change in net assets to net cash (Used) provided by operating activities:		
Forgiveness of PPP loan	(67,120)	(50,635)
(Increase) decrease in operating assets:		
Contributions receivable	(89,258)	14,115
Pledges receivable	-	(15,000)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	11,918	1,255
Deferred revenue	60,000	25,000
Refundable Advances	(60,000)	-
Other current liabilities	(1,130)	4,729
Net cash (used) provided by operating activities	<u>(18,549)</u>	<u>200,680</u>
Cash flows from investing activities:		
Advances on notes receivable	-	(50,000)
Net cash used by investing activities	<u>-</u>	<u>(50,000)</u>
Cash flows from financing activities:		
Borrowings from PPP loan	-	67,120
Net cash provided by financing activities	<u>-</u>	<u>67,120</u>
Net (decrease) increase in cash	(18,549)	217,800
Cash and cash equivalents at beginning of year	<u>667,103</u>	<u>449,303</u>
Cash and cash equivalents at end of year	<u>\$ 648,554</u>	<u>\$ 667,103</u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

1) Nature of activities

Founded in 2000, The Idea Village, Inc. (the “The Idea Village” or “the Organization”) is an independent 501(c)(3) nonprofit organization with a mission to identify, support, and retain entrepreneurial talent in New Orleans. The Idea Village helped catalyze an entrepreneurial ecosystem in New Orleans and the surrounding region and is committed to helping start-up companies start and scale. Our accelerator helps local entrepreneurs ignite their startup through mentorship, peer-to-peer learning, educational programming, and access to subsidized pro bono professional services. New Orleans Entrepreneur Week is a free conference to ignite innovation and entrepreneurship in the region.

2) Summary of significant accounting policies

The significant accounting policies followed by The Idea Village are summarized as follows:

(a) Financial statement presentation

The Idea Village’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) Contributions

Contributions received are recorded with donor restrictions or without donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is 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 restrictions.

(c) 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.

(d) Taxes

The Idea Village is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Village has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. The Idea Village files Form 990 and Form 990 T tax returns in the U.S. federal jurisdiction and in various states.

The Idea Village adopted the provisions of Accounting Standards Codification (ASC) 740, *Accounting for Uncertainty in Income Taxes*. Management of The Idea Village believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits. With few exceptions, The Idea Village is no longer subject to U.S. federal, state and local tax, or income tax examinations by tax authorities for a period of three years from the filing of those returns.

(e) Fundraising

All expenses associate with the fundraising event are expensed as incurred.

(f) Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

2) Summary of significant accounting policies (continued)

(f) Use of estimates (continued)

the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Concentration of credit risk

Financial instruments that potentially subject The Idea Village to concentrations of credit risk consist principally of cash deposits. The Idea Village may at times have cash on deposit at financial institutions that is in excess of federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Idea Village has not experienced any losses in such accounts. The Idea Village has no policy requiring collateral or other security to support its deposits.

(h) Promises to give

Unconditional promises to give are recognized when the donor makes a promise to give. Conditional promises to give are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(i) Donated services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by The Idea Village.

The Idea Village received volunteer help to provide consulting services to entrepreneurs and other donated services to assist with meeting and event expenses. The estimated value of the contributed services for the years ended June 30, 2022 and 2021 was \$115,497 and \$7,879, respectively.

(j) 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. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of The Idea Village.

(k) Pledges receivable

Pledges receivable consists of unconditional promises to give that are expected to be collected in future years and are recorded at the present value of their estimated future cash flows. As of June 30, 2022 and 2021 promises to give consisted of \$15,000 and \$15,000, respectively.

(l) Revenue recognition

Contributions received are recorded at fair value as revenue when an unconditional promise to give has been received. Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence or absence of any donor restrictions.

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 substantially met. Until that point, any amounts received are recorded as refundable advances. As of June 30, 2022, and 2021, conditional promises to give were \$125,000 and \$65,000,

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

2) Summary of significant accounting policies (continued)

(l) Revenue recognition (continued)

respectively. These balances have been recorded in refundable advances on the statements of financial position.

The Organization has elected to present revenue with donor restrictions if all of the requirements imposed by the donor restrictions are met in the year of receipt as contributions without donor restrictions. 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. All amounts received prior to the commencement of the associated program are deferred to the applicable period.

(m) Net assets

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.

Net assets without donor restrictions are available for use in general operations and may be used by the Organization at its discretion.

Net assets with donor restrictions includes assets that may be temporarily restricted, such as those that will be met by the passage of time or other events specified by the donor. 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.

(n) Reclassification

Certain reclassifications have been made to the 2021 financial statement presentations to correspond to the current year's format. Total net assets and change in net assets are unchanged due to these reclassifications.

3) Operating lease

The Idea Village entered into a lease agreement effective August 1, 2022 for office space. The lease expires in July 2026, unless terminated early in accordance with the lease agreement. Future minimum rental payments under the lease are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 117,956
2024	117,956
2025	121,495
2026	10,249

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

4) Agency transactions

The Idea Village receives donated or subsidized consulting and legal services from various businesses throughout the year. These services are then passed on to the entrepreneurs. The total amount received during 2022 and 2021 was approximately \$206,295 and \$138,700, respectively.

5) Line of credit

The Company has a \$200,000 revolving line of credit with a bank that expires November 18, 2024. The rate of interest is 1.5% over the Prime Rate of the lender (8.5% at June 30, 2022), as defined in the promissory note. The balance on the line of credit was \$-0- and \$-0- as of June 30, 2022 and 2021, respectively.

6) Long-term debt

Long-term debt consisted of the following:

	2022	2021
Note payable from the Paycheck Protection Program with interest rate equal to 1%, with monthly installments of approximately \$1,150 and maturing in March 2026. The loan was forgiven by the Small Business Administration in 2022	\$ -	\$ 67,120
Less current portion	-	(9,879)
Long-term debt, less current portion	\$ -	\$ 57,241

7) Notes receivable

On April 19, 2019 and May 11, 2021, The Idea Village entered into a Simple Agreement for Future Equity (“SAFE”) for \$50,000 with a company. If there is an equity financing before the termination of the SAFE, on the initial closing of such equity financing, the SAFE will automatically convert into the greater of: (1) the number of shares of Standard Preferred Stock equal to the Purchase Amount divided by the lowest price per share of the Standard Preferred Stock; or (2) the number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Safe Price. As of June 30, 2022, neither of the SAFE agreements have been converted into equity securities.

Total notes receivable as of June 30, 2022 and 2021 was \$100,000.

8) Investments

At June 30, 2022 and 2021, long-term investments consist of \$200,000 of equity securities in two companies.

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

9) Fair value measurement

FASB ASC 820, *Fair Value Measurements*, 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 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.

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.

Investments, notes receivable, and pledges receivable are measured at fair value on a recurring basis. For assets that are measured at fair value in periods after initial recognition, there were no transfers between Level 1 and Level 2. There were no transfers into or out of Level 3 in 2022 and 2021. Transfers are recognized as of the actual date of the event. Nonrecurring fair value adjustments, if any, would typically involve donated property and equipment or impairment accounting. There were no nonrecurring fair value adjustments in 2022 and 2021.

Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022:

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

9) Fair value measurement (continued)

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Promises to give, net	\$ 15,000	\$ -	\$ -	\$ 15,000
Notes receivable, net	100,000	-	-	100,000
Investments	200,000	-	-	200,000
	\$ 315,000	\$ -	\$ -	\$ 315,000

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2021:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Promises to give, net	\$ -	\$ -	\$ -	\$ -
Notes receivable, net	100,000	-	-	100,000
Investments	200,000	-	-	200,000
	\$ 300,000	\$ -	\$ -	\$ 300,000

	Promises to give, net	
	2022	2021
Beginning balance	\$ 15,000	\$ -
Pledges	584,461	565,000
Cash receipts	(584,461)	(550,000)
Ending balance	\$ 15,000	\$ 15,000

As of June 30, 2022, the Organization received conditional promises to give of approximately \$530,000 for fiscal year 2023.

10) New accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This accounting standard improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. The standard is effective for annual periods beginning after June 15, 2021. The Idea Village is currently assessing the impact of this pronouncement on its financial statements.

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

11) Restrictions on net assets

The Idea Village, Inc. received several donor restricted grants to help fund various projects and programs. Net assets with donor restrictions as of June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Subject to expenditures for specified purpose:		
NOEW	\$ 362,837	\$ 135,000
VillageX	584,461	565,000
Idea Institute/Pipeline Programs	245,783	-
Other	<u>75,000</u>	<u>-</u>
	<u>1,268,081</u>	<u>700,000</u>
 Total donor restricted assets	 <u>\$ 1,268,081</u>	 <u>\$ 700,000</u>

12) Net assets released from restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donor as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:		
NOEW	\$ 362,837	\$ 135,000
VillageX	584,461	565,000
Idea Institute/Pipeline Programs	245,783	-
Other	<u>75,000</u>	<u>-</u>
	<u>1,268,081</u>	<u>700,000</u>
 Net assets released from restriction	 <u>\$ 1,268,081</u>	 <u>\$ 700,000</u>

13) Liquidity and availability

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

Cash	\$ 648,554
Contribution receivable	<u>89,258</u>
	<u>\$ 737,812</u>

14) Coronavirus (COVID-19)

The COVID-19 pandemic has impacted and could further impact the Organization's operations and the operations of the Organization's suppliers and vendors as a result of quarantines, facility closures, and

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

14) Coronavirus (COVID-19)

travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Organization's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Organization's customers, suppliers, and vendors and the remedial actions and stimulus measures adopted by local and federal governments. Even after the COVID-19 pandemic has subsided, the Organization may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Organization cannot reasonably estimate the impact at this time.

15) Paycheck Protection Program

During the years ended June 30, 2021 and 2020 the Organization was able to participate in the Paycheck Protection Program ("PPP"). This program was designed to assist organizations with cash flow requirements necessary to maintain a healthy workforce during the COVID-19 pandemic. Under this program the Organization was able to borrow monies, up to certain amounts, to be used for payroll related costs. Loans under the PPP could be forgiven by the Federal Government if the Organization meets the forgiveness criteria outlined within the CARES Act. As disclosed in Note 6, the Organization borrowed \$67,120 under the terms and conditions of the PPP during the years ended June 30, 2021. On March 16, 2022, the organization received forgiveness of the PPP loan received in 2021 and recognized \$67,120 of revenue and has included it in other revenues on the statements of activities.

16) Related party transactions

From time to time, the Organization may receive donated services from organizations affiliated with board members or from board members in the form of direct funding and/or services and goods donations. The Organization received \$23,265 and \$19,305 in donated services in fiscal year 2022 and 2021, respectively. Direct funding received from board members and affiliates was approximately \$141,000 and \$345,000 in fiscal years 2022 and 2021, respectively. Additionally, the Organization paid approximately \$147,160 and \$122,000 in fiscal years 2022 and 2021, respectively, for rentals and other operating costs to entities associated with board members.

17) Subsequent events

The Idea Village 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

Board of Directors
The Idea Village, 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 The Idea Village, Inc., which comprise the statement of financial position as of June 30, 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 December 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Idea Village, 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 The Idea Village, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Idea Village, Inc.'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. 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 The Idea Village, 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 entity'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 entity'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

December 8, 2022

Wegmann Bazet APC

THE IDEA VILLAGE, INC.
SUMMARY OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD

For the Years Ended June 30, 2022 and 2021

SUMMARY OF COMPENSATION

Jon Atkinson
CEO

- None of the agency head's compensation was derived from state and/or local assistance.

THE IDEA VILLAGE INC.

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2022

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of The Idea Village, Inc.
 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by The Idea Village, Inc. (the "Organization") and the Louisiana Legislative Auditor (LLA) (the specified parties), on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Organization's management.

***Result of Procedure** - The Organization provided us with the following list of expenditures made for local grant awards received during the fiscal year ended June 30, 2022:*

Federal, State, or Local Grant Name	Grant Year	AL No. (if applicable)	Amount
New Orleans Tourism and Cultural Fund Grant	2022	N/A	\$ 75,000
Delta Regional Authority	2022	N/A	134,026
U.S Economic Development Administration	2022	N/A	41,758
			\$ 250,784

2. For each local grant award, randomly select six disbursements during the fiscal year, provided that no more than 30 disbursements are selected.

***Result of Procedure** - The disbursement selections were in accordance with the requirements of the Agreed Upon Procedures.*

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

***Result of Procedure** - Each of the selected disbursements agreed to the amount and payee in the supporting documentation.*

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

***Result of Procedure** - All of the disbursements were coded to the correct fund and general ledger account.*

5. Report whether the selected disbursements were approved in accordance with the Organization's policies and procedures.

***Result of Procedure** - The Organization's policies and procedures state that the CEO must approve all disbursements. Any expense reports for reimbursement to the CEO are sent to the board members for review and approval. Once the CEO's expense reports are approved, the checks are signed. Documentation supporting each of the selected disbursements included the signature of the CEO and the approval of the board, if applicable.*

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

***Result of Procedure** – All local disbursements were in program compliance and/or in grant agreement compliance relating to activities allowed or unallowed, eligibility and reporting.*

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Organization's financial records; and report whether the amounts in the close-out reports agree with the Organization's financial records.

***Result of Procedure** - The selected disbursements came from three grants. The Organization is required to submit monthly expenditure reports and support to the grantors. The expenditure reports submitted agree with the Organization's financial records. There was no close out report required for the New Orleans Tourism and Cultural Fund grant.*

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

Result of Procedures - Management represented that the Organization is not required to follow open meeting laws.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the Organization provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Result of Procedure - Obtained Cooperative Endeavor Agreement between grantors and the Organization in which the funding is defined, and purpose is outlined. The Organization submits expense reimbursements monthly to use towards the operations of the Organization as well as general and administrative expenses.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

Result of Procedure - The Organization's report was submitted to the Legislative Auditor before the statutory due date of December 31, 2022.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Result of Procedure - The Organization's management represented that the Organization did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Result of Procedure - Not applicable.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed of the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire

during the fiscal year ended June 30, 2022, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Metairie, Louisiana
December 16, 2022

Wegmann Bazet APC

ATTACHMENTS:

SIGNED LOUISIANA ATTESTATION QUESTIONNAIRE

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)**

Dear Chief Executive Officer:

Attached is the Louisiana Compliance Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of a financial audit of Louisiana quasi-public agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting.

The completed and signed questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the auditor at the beginning of the audit.** The auditor will, during the course of his/her regular audit, test the accuracy of the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the auditor during the course of his/her audit. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA
Louisiana Legislative Auditor

Enclosure

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)**

12/8/22 (Date Transmitted)

Wegmann Dazet & Company (CPA Firm Name)

(CPA Firm Address)
(City, State Zip)

In connection with your audit of our financial statements as of 6/30/22 and for the year ended 6/30/22 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of 12/7/22 (date completed/date of the representations).

PART I. Agency Profile

1. Name and address of the organization.

The Idea Village, Inc.
638 Camp Street – Suite 308
New Orleans, LA 70130

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

See attached Board listing

3. Period of time covered by this questionnaire.

7/1/21 – 6/30/22

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

501 c 3

5. Briefly describe the public services provided.

To identify, support, and retain entrepreneurial talent in New Orleans

6. Expiration date of current elected/appointed officials' terms.

See attached Board listing.

Part II. Federal, State, and Local Awards

7. We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [X] No [] N/A []

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes [X] No [] N/A []

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes No N/A

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes No N/A

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes No N/A

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes No N/A

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes No N/A

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes No N/A

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes No N/A

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “[Open Meeting FAQs](#),” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No N/A

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No N/A

21. For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance.

Yes No N/A

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No N/A

Part VI. Reporting

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes No N/A

24. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

25. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

26. We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the

foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

DocuSigned by:

David Barksdale

Chair

12/8/2022

Date

DocuSigned by:

Jon Atkinson

President

12/8/2022

Date

DocuSigned by:

Marianne Van Meter

Finance Committee Chair/Treasurer

12/8/2022

Date