

9916

RECEIVED
LEGISLATIVE AUDITOR
04 JUN 30 PM 12:10

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

FRIEND'S OF NORD, INC.

For the year ended December 31, 2003

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 9-8-04

**ERNEST J. FOLSE III
CERTIFIED PUBLIC ACCOUNTANT**

CONTENTS

Auditor's Report.....	3
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Cash Flows.....	6
Statement of Functional Expenses.....	7
Notes to Financial Statements.....	8
Report on Compliance and On Internal Control Over Financial Reporting.....	11
Schedule of Findings and Questioned Cost.....	13

ERNEST J. FOLSE III, C.P.A.

A PROFESSIONAL ACCOUNTING CORPORATION

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Friend's of NORD, Inc.

I have audited the accompanying statements of financial position of Friend's of NORD, Inc. (a nonprofit organization) as of December 31, 2003 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require I perform the audit to obtain reasonable assurance about whether the financial statements are free of misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friend's of NORD, Inc. as of December 31, 2003 and its changes in net assets for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated February 29, 2004 in my consideration of Friend's of NORD internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.



Ernest J. Folse III,
Certified Public Accountant
February 29, 2004

FRIEND'S OF NORD, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2003

ASSETS

Current	
Cash	\$421,774
Grants Receivable	<u>25,000</u>
Total Assets	<u><u>\$446,774</u></u>

LIABILITIES AND NET ASSETS

Liabilities (All Current)	
Account Payable	134
Payroll Taxes Payable	980
Total Liabilities	<u>1,114</u>

Net Assets

Unrestricted	(54,466)
Temporarily Restricted	<u>500,126</u>
Total Net Assets	<u>445,660</u>
Total Liabilities and Net Assets	<u><u>\$446,774</u></u>

The accompanying notes are an integral part of these financial statements.

FRIEND'S OF NORD, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>SUPPORT AND REVENUES</u>	Unrestricted	Temporarily Restricted	Total
Current Year Award			
Grant/contract support	\$—	\$143,386	\$143,386
Contributions	382,154	—	382,154
Interest income	4,926	—	4,926
Other income	25,518	—	25,518
Contributed Services:			
Accounting	8,100	—	8,100
Legal	2,827	—	2,827
Net assets released from restrictions			
Satisfaction of purpose restrictions	48,780	(48,780)	0
Total support and revenue	<u>472,305</u>	<u>94,606</u>	<u>566,911</u>
 EXPENSES			
Programs:			
Project Playground	355,225	—	355,225
Partnerships In Recreation	134,143	—	134,143
Total program expenses	<u>489,369</u>	<u>—</u>	<u>489,369</u>
Administrative Expenses	56,006	—	56,006
Contributed Services:			
Accounting	8,100	—	8,100
Legal	2,827	—	2,827
Total expenses	<u>556,301</u>	<u>—</u>	<u>556,301</u>
Increase (Decrease) In Net Assets	(83,996)	94,606	10,610
Net Assets, December 31, 2002	29,530	405,520	435,050
Net Assets, December 31, 2003	<u>(\$54,466)</u>	<u>\$500,126</u>	<u>\$445,660</u>

The accompanying notes are an integral part of these financial statements.

**FRIEND'S OF NORD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003**

<u>Cash Flows From Operating Activities:</u>	<u>Total</u>
Change in Net Assets	\$10,610
Adjustment to Reconcile Change in Net Assets to Net Cash Used for Operating Activities:	
Increase in Grants Receivable	(25,000)
Decrease in Accounts Payable	(22,585)
Decrease in Payroll Taxes Payable	(6,700)
	(43,675)
 <u>Cash Flows From Investing Activities:</u>	
Net Cash Used By Investing Activities	0
 <u>Cash Flows From Financing Activities:</u>	
Net Cash Used By Financing Activities	0
Net Decrease in Cash	(43,675)
Cash and Cash Equivalents, December 31, 2002	465,449
Cash and Cash Equivalents, December 31, 2003	\$421,774

The accompanying notes are an integral part of these financial statements.

**LOUISIANA STADIUM EXPOSITION DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Program Services	Support Services	
	Louisiana Stadium Exposition	Administration Expenses	Totals
	<u> </u>	<u> </u>	<u> </u>
EXPENSES:			
Athletic uniforms	\$17,453	\$-----	\$17,453
Construction	3,137	-----	3,137
Equipment	14,808	-----	14,808
Survey & Design	10,995	-----	10,995
Supplies	2,388	-----	2,388
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u><u>\$48,780</u></u>	<u><u>\$-----</u></u>	<u><u>\$48,780</u></u>

The accompanying notes are an integral part of these financial statements.

FRIENDS OF NORD, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Organization

Friends of NORD, Inc. is a nonprofit corporation organized under the laws of the State of Louisiana. The mission statement of the corporation is to raise funds and foster public participation for the revitalization of New Orleans' treasured neighborhood playgrounds and to provide funding for after-school educational recreation programs. The corporation's support comes from individuals, corporate donations, foundation grants and government funding grants.

2. Basis of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles. They are presented on the accrual basis of accounting.

3. Estimates

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

4. Cash Equivalents

The Corporation considers all demand deposits and short-term investments with an original maturity of three months or less to be cash equivalents.

FRIENDS OF NORD, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2003

5. Financial Statement Presentation

In 1995 the Organization adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a Statement of Cash Flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present three classes of net assets required.

6. Public Support and Revenue

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of donor assets. When a donor restriction expires that is when a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net asset and reported in the statement of activities as net assets released from retractions. Pledges and other unrestricted income are included in unrestricted net assets.

During the year of 2003 the Corporation received conditional pledges from a combination of private and government donors in an amount over \$1,800,000.00. Pledges are expected to be received over the period of 2004 through 2007.

NOTE B - INCOME TAXES

The Corporation is a not-for-profit organization that is exempt from corporate income taxes under Section 501 (c)(3) of the Internal Revenue Code.

NOTE C - ADMINISTRATIVE SUPPORT (CONTRIBUTED SERVICES)

The Corporation received administrative support for the period of this audit in the form of contributed services for legal and accounting services. No compensation was paid for these services. The support is reflected in the financial statements and is valued at the contributors stated billing rates.

FRIENDS OF NORD, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2003

NOTE D - BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any Board Member during the period from inception through December 31, 2003.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Specific grant programs	<u>\$143,386</u>
Total temporarily restricted net assets	<u>\$143,386</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purposes specified by donors as follows:

Purpose restriction accomplished: Louisiana Stadium Exposition	\$ 48,780.00
---	--------------

ERNEST J. FOLSE III, C.P.A.

A PROFESSIONAL ACCOUNTING CORPORATION

CERTIFIED PUBLIC ACCOUNTANT

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Friends of NORD, Inc.

I have audited the financial statements of Friends of NORD, Inc. (a nonprofit corporation) as of and for the year ended December 31, 2003, and have issued my report thereon dated February 29, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

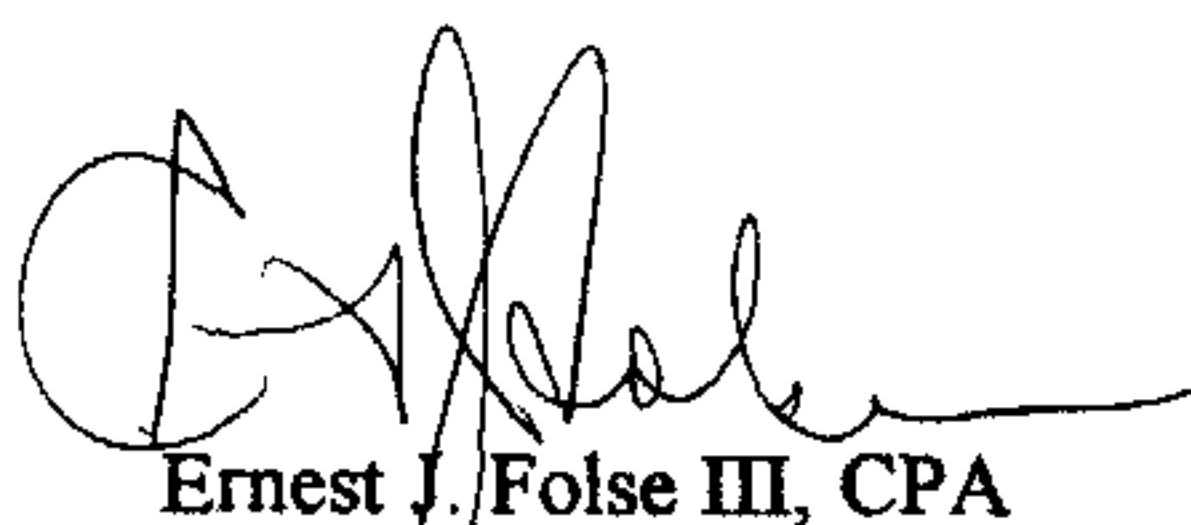
As part of obtaining reasonable assurance about whether Friends of NORD, Inc. financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Friends of NORD, Inc. internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Ernest J. Folse III, CPA
New Orleans, LA
February 29, 2004

Friend's of NORD, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2003

Section I -- Summary of Auditor's Results

Financial Statements

An unqualified opinion was issued on the financial statements of the auditee.

Internal control over financial reporting:

Material weakness(es) identified? yes no

Reportable condition(s) identified
not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

State Awards

Internal Control over state programs:

Material weakness(es) identified? yes no

Reportable condition(s) identified
not considered to be material weakness(es)? yes none reported