

**NEW ORLEANS COMMUNITY  
SUPPORT FOUNDATION**

Audit of Financial Statements

December 31, 2006

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 6/11/08

## Contents

---

<b>Independent Auditor's Report</b>	1 - 2
-------------------------------------	-------

---

### **Basic Financial Statements**

Statement of Financial Position	3
Statement of Activities for the Year Ended December 31, 2006	4
Schedule of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

---

### **Supplemental Information**

---

#### **OMB Circular A-133 Section**

Schedule of Expenditures of Federal Awards	12
Notes to Schedule of Expenditures of Federal Awards	13
<b>Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standard</i></b>	14 - 15
<b>Report on Compliance and Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133</b>	16 - 18
Schedule of Findings and Questioned Costs	19 - 20



## Independent Auditor's Report

To the Board of Directors  
New Orleans Community Support Foundation

We have audited the accompanying statement of financial position of New Orleans Community Support Foundation (the Foundation) as of December 31, 2006, and the related statements of activities and cash flows for the year then ended. These combined financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2006 financial statements referred to above present fairly, in all material respects, the financial position of New Orleans Community Support Foundation as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2008, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

110 VETERANS MEMORIAL BOULEVARD, SUITE 200, METAIRIE, LA 70005-4958 • 504.835.5522 • FAX 504.835.5535  
5100 VILLAGE WALK, SUITE 202, COVINGTON, LA 70433-4012 • 985.892.5850 • FAX 985.892.5956  
5153 BLUERONNET BOULEVARD, SUITE B, BATON ROUGE, LA 70809 • 225.296.5150 • FAX 225.296.5151  
[WWW.LAPORTE.COM](http://WWW.LAPORTE.COM)

RSM McGladrey Network  
An Independently Owned Member

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Robert J. Healy".

A Professional Accounting Corporation

March 25, 2008

**NEW ORLEANS COMMUNITY SUPPORT FOUNDATION**  
**Statement of Financial Position**  
**December 31, 2006**

<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,947,760
Grant Receivable	2,003,074
Donation Receivable	<u>7,000</u>
<b>Total Assets</b>	<b><u>\$ 3,957,834</u></b>
 <b>Liabilities and Net Assets</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 1,439,142
Refundable Advance	1,000,000
Related Party Payable	<u>20,000</u>
<b>Total Liabilities</b>	<b><u>2,459,142</u></b>
 <b>Net Assets</b>	
Unrestricted	(742,702)
Temporarily Restricted	<u>2,241,394</u>
<b>Total Net Assets</b>	<b><u>1,498,692</u></b>
 <b>Total Liabilities and Net Assets</b>	 <b><u>\$ 3,957,834</u></b>

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

**NEW ORLEANS COMMUNITY SUPPORT FOUNDATION**  
**Statement of Activities**  
For the Year Ended December 31, 2006

<b>Unrestricted Net Assets</b>	
<b>Support and Revenues</b>	
Donation Revenue	\$ 7,000
Interest Earned	<u>18,779</u>
<b>Total Support and Revenues</b>	<b>25,779</b>
<b>Net Assets Released from Restrictions</b>	<u>4,011,680</u>
<b>Total Unrestricted Support and Revenues</b>	<u>4,037,459</u>
<b>Expenses</b>	
Program	4,011,680
Administrative Expenses	638,518
Fundraising	<u>129,963</u>
<b>Total Expenses</b>	<u>4,780,161</u>
Decrease in Unrestricted Net Assets	<u>(742,702)</u>
<b>Temporarily Restricted Net Assets</b>	
Grants and Awards	<u>6,253,074</u>
<b>Total Grants and Awards</b>	<b>6,253,074</b>
<b>Net Assets Released from Restrictions</b>	<u>(4,011,680)</u>
Increase in Temporarily Restricted Net Assets	<u>2,241,394</u>
Increase in Net Assets	1,498,692
<b>Net Assets, Beginning of Year</b>	<u>-</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 1,498,692</u></u>

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

**New Orleans Community Support Foundation  
Schedule of Functional Expenses  
December 31, 2006**

	Program	Administrative Expenses	Fundraising	Total
District/Neighborhood Planners	\$ 2,088,275	\$ -	\$ -	\$ 2,088,275
City Wide Planners	1,279,824	-	-	1,279,824
Communications & Publications	-	331,559	110,520	442,079
Staff Outsourced	491,581	-	-	491,581
Admin Fees - Inc	-	90,000	-	90,000
Public Relations	-	58,330	19,443	77,773
District/Neighborhood Travel	-	67,551	-	67,551
Meetings - General	63,639	-	-	63,639
Meetings - City-Wide	61,224	-	-	61,224
Legal Fees	-	44,784	-	44,784
City Wide travel	-	19,555	-	19,555
Insurance	-	14,290	-	14,290
District/Neighborhood Meeting Expense	4,602	4,602	-	9,204
Peer Review	8,328	-	-	8,328
Panel	5,415	-	-	5,415
Meetings - Orientations	3,974	-	-	3,974
Youth Congress	4,167	-	-	4,167
Photocopies	-	3,189	-	3,189
Telephone	-	2,220	-	2,220
Other Meetings	151	856	-	1,007
Accounting	-	750	-	750
Meetings - Internal	500	-	-	500
Postage & Courier	-	356	-	356
Office Supplies	-	289	-	289
Bank Fees - Inc	-	150	-	150
Meetings - CSO	-	37	-	37
<b>Total Expenses</b>	<b>\$ 4,011,680</b>	<b>\$ 638,518</b>	<b>\$ 129,963</b>	<b>\$ 4,780,161</b>

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

**NEW ORLEANS COMMUNITY SUPPORT FOUNDATION**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2006**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 1,498,692
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Increase in Grant Receivable	(2,003,074)
Increase in Donation Receivable	(7,000)
Increase in Accounts Payable	1,439,142
Increase in Refundable Advance	1,000,000
Increase in Related Party Payable	<u>20,000</u>
<b>Net Cash Provided by Operating Activities</b>	<u>1,947,760</u>
<b>Net Increase in Cash and Cash Equivalents</b>	1,947,760
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>-</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 1,947,760</u></u>

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



## NEW ORLEANS COMMUNITY SUPPORT FOUNDATION

### Notes to Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies

##### **Nature of Activities**

The New Orleans Community Support Foundation (NOCSF) is a supporting organization of the Greater New Orleans Foundation (GNOF) created to produce the Unified New Orleans Plan (UNOP). UNOP is a public-private planning process established at the request of the New Orleans Mayor, City Council, and City Planning Commission. UNOP is intended to address New Orleans' infrastructure needs, in addition to reflecting the public's priorities for housing, schools, and neighborhood safety. UNOP includes essential baseline maps and other critical demonstration and geographic data. The plan's completion brings New Orleans into compliance with the Louisiana Recovery Authority mandate that every hurricane-damaged parish complete a comprehensive recovery and rebuilding plan.

##### **Basis of Accounting**

The Foundation prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

##### **Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation 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.

**Unrestricted Net Assets** - limited only by the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors and others entered into by the organization in the course of its business.

**Temporarily Restricted Net Assets** - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently Restricted Net Assets** - net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. There were no permanently restricted net assets as of December 31, 2006.

# NEW ORLEANS COMMUNITY SUPPORT FOUNDATION

## Notes to Financial Statements

---

### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Contributions**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. It is management's judgment that any allowance for uncollectible receivables is immaterial as of December 31, 2006.

#### **Concentration of Grants and Awards**

During the year ended December 31, 2006 the Foundation received revenues from one funding source representing 78% of total revenues, gains and other support.

#### **Investments**

In accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, the Foundation's investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the Statement of Financial Position. Unrealized and realized gains and losses are included in the change in net assets.

Dividend and interest income is accrued when earned.

#### **Cash and Cash Equivalents**

The Foundation considers all investments in money market accounts to be cash equivalents.

#### **Income Taxes**

The Foundation is exempt from federal tax under Section 501(c)(3) of the U.S. Internal Revenue Code and is not a private foundation. Gifts to the Foundation are tax deductible.

**NEW ORLEANS COMMUNITY SUPPORT FOUNDATION**

**Notes to Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2. Restricted Assets**

Temporarily restricted net assets as of December 31, 2006 have the following donor restrictions on them:

	2006
Restricted for the Purpose of:	
Development of Recovery Plan for Orleans Parish	<u>\$ 2,241,394</u>
<b>Total</b>	<u>\$ 2,241,394</u>

**Note 3. Release of Restricted Assets**

Net assets were released from restrictions by meeting the time restrictions or by incurring expenses satisfying the restricted purposes.

	2006
Restrictions Accomplished:	
Development of Recovery Plan for Orleans Parish	<u>\$ 4,011,680</u>
<b>Total</b>	<u>\$ 4,011,680</u>

**Note 4. Concentrations of Credit Risk**

The Foundation maintains all of its cash balances in one financial institution located in New Orleans, Louisiana. The balance at this institution is insured by the Federal Deposit Insurance Corporation up to \$100,000.

## NEW ORLEANS COMMUNITY SUPPORT FOUNDATION

### Notes to Financial Statements

---

#### **Note 5. Refundable Advance**

The Foundation received a refundable advance from GNOF in the amount \$1,000,000 on the condition that funding would be received in the form of a Community Development Block Grant. This funding was received and the advance was repaid in October 2007.

#### **Note 6. Related Party Transactions**

The Foundation has a board member who works for a law firm that represents a vendor. During the year ended December 31, 2006 payments to the law firm totaled \$316,254 with a \$97,621 payable at year end. The Foundation also paid \$90,000 in administration fees to GNOF during 2006 with a \$20,000 payable at year end.

#### **Note 7. Commitments**

During 2006, the Foundation signed agreements with two consulting teams that extend through January 22, 2007. The contractual total to be paid to these two consulting teams is \$2,281,443. As of December 31, 2006, \$1,753,074 has been paid with a commitment of \$528,369 remaining.

**OMB CIRCULAR A-133 SECTION**

NEW ORLEANS COMMUNITY SUPPORT FOUNDATION  
 Schedule of Expenditures of Federal Awards  
 For the Year Then Ended December 31, 2006

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>		
Passed through State of Louisiana Office of Community Development Community Development Block Grant Disaster recovery Program	14.218	<u>\$ 1,753,074</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>1,753,074</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 1,753,074</u></u>

## NEW ORLEANS COMMUNITY SUPPORT FOUNDATION

### Notes to Schedule of Expenditures of Federal Awards

---

#### Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of New Orleans Community Support Foundation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



**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 Community Support Foundation

We have audited the financial statements of the New Orleans Community Support Foundation (the Foundation) as of and for the year ended December 31, 2006, and have issued our report thereon dated March 25, 2008. We conducted our audit in accordance with 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.

**Internal Control over Financial Reporting**

In planning and performing our audit we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures 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 Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the Foundation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Foundation's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 one instance of non-compliance reported as Finding 06-01 that is required to be reported under *Government Auditing Standards*. We did not audit the Foundation's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Board of Directors, Management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

March 25, 2007



LAPORTE SEHRT  
ROMIG HAND  
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
New Orleans Community Support Foundation

**Compliance**

We have audited the compliance of New Orleans Community Support Foundation (the Foundation) a non-profit organization, with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2006. The Foundation's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Foundation's compliance with those requirements.

In our opinion, New Orleans Community Support Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 06-01 and 06-02.

110 VETERANS MEMORIAL BOULEVARD, SUITE 200, METAIRIE, LA 70005-4958 • 504.835.5522 • FAX 504.835.5535

5100 VILLAGE WALK, SUITE 202, COVINGTON, LA 70433-4012 • 985.892.5850 • FAX 985.892.5956

5153 BLUEBONNET BOULEVARD, SUITE B, BATON ROUGE, LA 70809 • 225.296.5150 • FAX 225.296.5151

WWW.LAPORTE.COM

RSM McGladrey Network

An Independently Owned Member

### **Internal Control Over Compliance**

The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 non-compliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. The Foundation's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Foundation's response and, accordingly, we express no opinion on it.

### **Schedule of Expenditure of Federal Awards**

We have audited the financial statements of the Foundation as of and for the year ended December 31, 2006, and have issued our report thereon dated March 25, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Foundation's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended for the information and use of the Board of Directors, Management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

March 25, 2008

## NEW ORLEANS COMMUNITY SUPPORT FOUNDATION

### Schedule of Findings and Questioned Costs For the Year Ended December 31, 2006

---

#### A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of New Orleans Community Support Foundation.
2. No significant deficiencies were identified during the audit of the financial statements.
3. One instance of non-compliance material to the financial statements of New Orleans Community Support Foundation were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs were identified during the audit of the financial statements.
5. The auditor's report on compliance for the major federal award programs for New Orleans Community Support Foundation expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for New Orleans Community Support Foundation are reported in Part C of this schedule.
7. The programs tested as major programs included:

<u>PROGRAM</u>	<u>CFDA No.</u>
Community Disaster Block Grant	14.218

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. New Orleans Community Support Foundation did not qualify as a low-risk auditee.

#### B. Findings - Financial Statements Audit

##### Finding 06-01

*Condition:* The annual audit report of the Foundation was not filed in a timely manner and in accordance with state laws and regulations.

*Criteria:* Louisiana Revised Statute 24:513 requires completion of the Foundation's annual audit within six months of the close of the Foundation's fiscal year.

*Effect:* The required documents were not submitted by the specified deadline.

*Recommendation:* We recommend that the Foundation undertake measures to ensure that all information required to allow completion and submission of the audited financial statements within the required reporting deadline.

*Management Response and Corrective Action Plan:* The grant application was completed in 2006 but funding was not approved by the State of Louisiana until July 2007, which was after the required reporting deadline. The delay in issuance was deemed beyond the control of management.

**NEW ORLEANS COMMUNITY SUPPORT FOUNDATION**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2006**

---

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

Instances of Noncompliance:

**Finding 06-02**

*Condition:* The annual audit report of the Foundation was not filed in a timely manner and in accordance with federal laws and regulations.

*Criteria:* Sections 300 and 320 of OMB Circular A-133 state that the audited schedule of federal expenditures and data collection form must be submitted to the cognizant or oversight agency within the earlier of 30 days after receipt of the auditors' report or nine months after the end of the audit period unless agreed to in advance by the cognizant agency.

*Effect:* The required documents were not submitted by the specified deadline, and prior approval for the oversight agency was not obtained.

*Recommendation:* We recommend that the Foundation undertake measures to ensure that all information required to allow completion and submission of the audited financial statements within the required reporting deadline.

*Management Response and Corrective Action Plan:* The grant application was completed in 2006 but funding was not approved by the State of Louisiana until July 2007, which did not allow adequate time for completion of the audit within the required reporting deadline.