

FRIENDS OF NORD, INC.

FINANCIAL STATEMENTS

June 30, 2013

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 JUL 02 2014

CASCIO & SCHMIDT, LLC
Certified Public Accountants

FRIENDS OF NORD, INC.

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Trustees of
Friends of NORD, Inc

We have compiled the accompanying statements of financial position of Friends of NORD, Inc. (a nonprofit organization) as of December 31, 2013, and the related statements of activities and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and accordingly, we do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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

The accompanying supplemental schedule of revenue and expenses by program is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplemental statement has been compiled from information that is the representation of management. We have not audited or reviewed the supplemental statement and, accordingly, do not express an opinion or provide any assurance on such supplemental statement.

Cascio & Schmidt, LLC.

Metairie, Louisiana
May 28, 2014

FRIENDS OF NORD, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 493,299	
Grants receivable (Note B)	<u>125,000</u>	
Total current assets		\$ <u>618,299</u>
Total assets		\$ <u>618,299</u>

LIABILITIES AND NET ASSETS

LIABILITIES		\$ -
NET ASSETS (Note A)		
Unrestricted	\$ 83,880	
Temporarily restricted	<u>534,419</u>	
Total Net Assets		<u>618,299</u>
Total liabilities and net assets		\$ <u>618,299</u>

See accompanying notes and accountant's report.

FRIENDS OF NORD, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUE			
Grant Appropriations	\$ -	\$ 165,000	\$ 165,000
Contributions	5,868	-	5,868
Investment income	3,758	-	3,758
Contributed services	15,000	-	15,000
Other	30	-	30
Net assets released from restrictions	<u>277,849</u>	<u>(277,849)</u>	<u>-</u>
Total Revenues	<u>302,505</u>	<u>(112,849)</u>	<u>189,656</u>
EXPENSES			
Accounting	15,000	-	15,000
Design fees/management	7,010	-	7,010
Equipment/site amenities	145,145	-	145,145
NORD/NOBA	131,210	-	131,210
Other	<u>387</u>	<u>-</u>	<u>387</u>
Total Expenses	<u>298,752</u>	<u>-</u>	<u>298,752</u>
INCREASE (DECREASE) IN NET ASSETS	3,753	(112,849)	(109,096)
Net assets, beginning of year	<u>80,127</u>	<u>647,268</u>	<u>727,395</u>
Net assets, end of year	\$ <u>83,880</u>	\$ <u>534,419</u>	\$ <u>618,299</u>

See accompanying notes and accountant's report.

FRIENDS OF NORD, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2013

**INCREASE (DECREASE) IN CASH AND
CASH EQUIVALENTS**

CASH FLOWS FROM OPERATING ACTIVITIES

Grant revenue	\$ 40,000
Investment income	3,758
Other	<u>5,898</u>
	49,656
Payments to suppliers	<u>(283,758)</u>

Net Cash Provided (Used) by Operating Activities	\$ (234,096)
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CASH FLOWS FROM INVESTING ACTIVITIES

-

CASH FLOWS FROM FINANCING ACTIVITIES

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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(234,096)
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Cash and Cash Equivalents at Beginning of Year	<u>727,395</u>
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Cash and Cash Equivalents at End of Year	<u>\$ 493,299</u>
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See accompanying notes and accountant's report.

FRIENDS OF NORD, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2013

**RECONCILIATION OF INCREASE(DECREASE)
IN NET ASSETS TO NET CASH PROVIDED
(USED) BY OPERATING ACTIVITIES**

Increase (decrease) in net assets		\$ (109,096)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in operating assets:		
Grants receivables	(125,000)	
(Increase) decrease in accounts payable	<u> -</u>	
Total adjustments		(125,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		\$ <u>(234,096)</u>

See accompanying notes and accountant's report.

FRIENDS OF NORD, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE A - SUMMARY OF ACCOUNTING POLICIES

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

1. Nature of Activities

The 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 from the revitalization of New Orleans's treasured neighborhood playgrounds and to provide funding for after-school athletic and educational recreation programs. The Corporation's support comes from individuals, corporate donations, foundation grants, city, state and federal sources.

2. Presentation of Financial Statements

The Corporation's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC as set forth in FASB ASC 958. Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets and (c) permanently restricted net assets. There were no permanently restricted net assets during the year ended June 30, 2013.

3. Revenue Recognition

Grant revenue is recognized as it is earned in accordance with approved contracts. Contributions are recognized as income in the period received and is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, also when grant services are performed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

4. Income Taxes

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

FRIENDS OF NORD, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2013

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

5. 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.

6. Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

7. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

8. Grants Receivable

The Corporation considers accounts receivable to be fully collectible since the balance consists of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

9. Functional Allocation of Expense

The expenses of providing program and other activities have been summarized on a functional basis in Note F. Certain of those expenses have been allocated among the program and supporting services benefitted, based on estimates by management of the costs involved.

10. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (May 28, 2014).

FRIENDS OF NORD, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2013

NOTE B - FINANCIAL ASSISTANCE & GRANTS

State of Louisiana Grants

The Organization was awarded a line item appropriation contained in Act 12 of the 2013 Regular Session of the State of Louisiana in the amount of \$100,000. Friends of NORD, Inc. signed a comprehensive cooperative endeavor agreement to provide funding to the New Orleans Recreation Department Center for Dance under the direction of the New Orleans Ballet Association for dance and fitness activities through ballet dance classes for youth ages 6 to 18 and fitness classes for senior citizens. The organization has agreed to expend the funds in accordance with Louisiana Revised Statute 27:392. Revenue for the year 2013 includes \$100,000 from the grant year ended June 30, 2013, and \$25,000 from the grant year ended June 30, 2014. The organization has agreed to expend the funds in accordance with Louisiana Revised Statute 27:392. During the year 2013, Friends of NORD, Inc. has disbursed \$100,000 from the grant year ended June 30, 2013, and \$25,000 from the year ended June 30, 2014.

National Endowment of the Arts

Friends of NORD, Inc. was awarded a grant in the amount of \$40,000 from the National Endowment of the Arts in 2012, however, the funds were not received until March, 2013. The grant purpose is to provide funds to support free, year-round dance training at the NORD/NOBA Center for Dance.

NOTE C - CAPITAL ASSETS

Friends of NORD, Inc. does not have any capital assets. The use of furniture and equipment is loaned to the Organization by various business entities.

NOTE D - CASH AND EQUIVALENTS

At December 31, 2013 the Organization had cash and cash equivalents (book balances) totaling \$493,299 in Demand Deposits. As of December 31, 2013, the Organization had deposits (collected bank balances) amounting to \$493,378. Federal Deposit Insurance of \$250,000 was provided at each of the two banks, however, deposits exceeded the insurance coverage by \$127,312 at one of the banks.

FRIENDS OF NORD, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2013

NOTE E - CONTRIBUTED SERVICES

During the year ended December 31, 2013, accounting services amounting to \$15,000 were contributed to Friends of NORD, Inc., and is included in revenue and in expenses in the Statement of Activities.

NOTE F - FUNCTIONAL EXPENSES

The functional expenses for the year ended December 31, 2013 consist of the following:

Program services	
Partnerships for Recreation	\$ 131,210
Project Playground	<u>152,537</u>
	283,747
Supportive services	
Management and general	<u>15,005</u>
Total expenses	\$ <u>298,752</u>

NOTE G - INCOME TAXES

Friends of NORD, Inc. is exempt from corporate income taxes under Section 501 (c) (3) of the Internal Revenue Code.

FASB ASC 740, Income Taxes, requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. Management does not believe its financial statements include any uncertain tax positions. The Organization's tax returns for 2012 and 2013 remain open and subject to examination by taxing authorities.

NOTE H - BOARD OF TRUSTEES' COMPENSATION

The Board of Trustees is a voluntary board, accordingly, no compensation was paid to any board member.

FRIENDS OF NORD, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2013

NOTE I - ECONOMIC DEPENDENCY

The Corporation received the majority of its revenue from funds provided through grants administered by governmental agencies. The grant amounts are appropriated each year. If significant budget cuts are made at the federal, state or city level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next year.

The corporation is supported primarily through government grants. Approximately 87% of the Corporation's support for the year ended December 31, 2013 came from government grants.

NOTE J - SUBSEQUENT EVENTS

FASB Accounting Standards Codification Topic 855, "Subsequent Events" addresses events which occur after the net position date, but before the issuance of financial statements. An entity must record the effects of subsequent events that provide evidence about conditions that existed at the net position date and must disclose, but not record, the effects of subsequent events which provide evidence about conditions that existed after the net position date. Additionally, Topic 855 requires disclosure relative to the date which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. Management evaluated the activity of Friends of NORD, Inc. through May 28, 2014, the date the financial statements were issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the Notes to the Financial Statements.

SUPPLEMENTAL INFORMATION

FRIENDS OF NORD, INC.

SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM

For the Year Ended December 31, 2013

	Partnership for <u>Recreation</u>	Project Playground	General and <u>Administrative</u>	<u>Total</u>
REVENUE				
Grant appropriations	\$ 165,000	\$ -	\$ -	\$ 165,000
Contributions	5,868	-	-	5,868
Investment income	-	-	3,758	3,758
Contributed services	-	-	15,000	15,000
Other	<u>-</u>	<u>30</u>	<u>-</u>	<u>30</u>
 Total Revenue	 <u>170,868</u>	 <u>30</u>	 <u>18,758</u>	 <u>189,656</u>
 EXPENSES				
Accounting	-	-	15,000	15,000
Design fees/management	-	7,010	-	7,010
Equipment/site amenities	-	145,145	-	145,145
NORD/NOBA	131,210	-	-	131,210
Other	<u>-</u>	<u>382</u>	<u>5</u>	<u>387</u>
 Total Expenses	 <u>131,210</u>	 <u>152,537</u>	 <u>15,005</u>	 <u>298,752</u>
 INCREASE (DECREASE) IN NET ASSETS				
	39,658	(152,507)	3,753	(109,096)
 Net assets, beginning of year	 <u>195,665</u>	 <u>451,603</u>	 <u>80,127</u>	 <u>727,395</u>
 Net assets, end of year	 <u>\$ 235,323</u>	 <u>\$ 299,096</u>	 <u>\$ 83,880</u>	 <u>\$ 618,299</u>

See accountant's report.

FRIENDS OF NORD, INC.

SCHEDULE OF FINDINGS

For the Year Ended December 31, 2013

Prior year

Financial statements for the year ended December 31, 2012 were not filed timely.

Current year

Financial statements for the current year ended December 31, 2013 were filed timely.