

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

FRIEND'S OF NORD, INC.

For the year ended December 31, 2010

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

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

A PROFESSIONAL ACCOUNTING CORPORATION

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

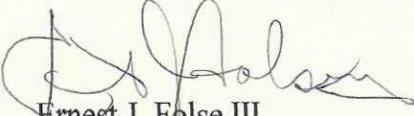
To the Board of Trustees of
Friend's of NORD, Inc.

I have audited the accompanying statements of financial position of Friend's of NORD, Inc. (a nonprofit organization) as of December 31, 2010 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 planned and 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, 2010 and its changes in 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, I have also issued my reports dated May 4, 2012 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. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. 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
May 4, 2012

**FRIEND'S OF NORD, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2010**

ASSETS

Current Cash	\$671,203
Total Assets	\$671,203

LIABILITIES AND NET ASSETS

Liabilities (All Current) Payroll Taxes Payable	1,252
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Net Assets

Unrestricted	172,786
Temporarily Restricted	497,165
Total Net Assets	669,951
Total Liabilities and Net Assets	\$671,203

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, 2010

<u>SUPPORT AND REVENUES</u>	Unrestricted	Temporarily Restricted	Total
Current Year Award			
Grant/contract support	-----	\$108,359	\$108,359
Contributions	-----	76,294	76,294
Fundraisings	-----	-----	0
Interest income	4,671	-----	4,671
Other income	1,668	-----	1,668
Contributed Services:			
Accounting	25,000	-----	25,000
Management Consulting	62,500	-----	62,500
Net assets released from restrictions			
Satisfaction of purpose restrictions	-----	-----	0
Total support and revenue	93,839	184,652	278,491
<u>EXPENSES</u>			
Programs:			
Project Playground	-----	30,000	30,000
Partnerships In Recreation	-----	145,099	145,099
Total program expenses	0	175,099	175,099
Administrative Expenses	18,446	36,882	55,327
Contributed Services:			
Accounting	25,000	-----	25,000
Management Consulting	62,500	-----	62,500
Total expenses	105,946	211,981	317,926
Increase (Decrease) In Net Assets	(12,107)	(27,328)	(39,435)
Net Assets, December 31, 2009	184,893	524,493	709,386
Net Assets, December 31, 2010	\$172,786	\$497,165	\$669,951

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 31,2010

Cash Flows From Operating Activities:	Total
Change in Net Assets	(\$39,435)
Increase in Payroll Taxes Payable	1,252
Net Cash from Operations	(38,183)
Net Increase (Decrease) in Cash	(38,183)
Cash and Cash Equivalents, December 31, 2009	709,386
Cash and Cash Equivalents, December 31,2010	<u>\$671,203</u>

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

FRIENDS OF NORD, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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's 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 city, state and federal funding sources.

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, 2010

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.

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 management and consulting 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, 2010

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, 2010.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

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

Specific grant programs	<u>\$184,652</u>
Total temporarily restricted net assets	<u>\$184,652</u>

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

Purpose restriction accomplished:

Project Playgrounds	\$ 30,000
Partnerships in Recreation	<u>145,099</u>
Total	<u>\$175,099</u>

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

A PROFESSIONAL ACCOUNTING CORPORATION

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' 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, 2010. I conducted my 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 my audit, I considered **Friends of NORD, Inc.** internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of **Friends of NORD, Inc.**'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of **Friends of NORD, Inc.**'s internal control over financial reporting.

A deficiency in internal control exist 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I considered to be material weaknesses, as defined above.

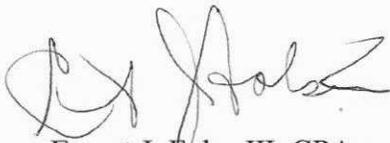
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

(CONTINUED)

Compliance and Other Matters

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 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned cost as item #1. I believe that none of the reportable conditions described above is a material weakness.

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
May 4, 2012

SCHEDULE OF FINDINGS & QUESTIONED COSTS

Friend's of NORD, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2010

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 X no

Significant deficiency(ies) identified
not considered to be material weaknesses? ___yes X none reported

Noncompliance material to financial statements noted? ___yes X no

State Awards

Internal Control over state programs:

Material weakness(es) identified? ___yes X no

Significant deficiency(ies) identified
not considered to be material weakness(es)? X yes ___ none reported

Friend's of NORD, Inc.
Schedule of Findings and Questioned Costs
December 31, 2010

FINDINGS #1: CURRENT YEAR AUDIT NOT ENGAGED TIMELY

QUESTIONED COSTS:\$0

CONDITION: Friend's of NORD, Inc. did not engage their required annual audit in a timely manner. Urban Park and Recreation Recovery Program and CDBG Funds require audits be performed no later than six months after the close of the agency's fiscal year-end.

EFFECT OF CONDITION: The effect of this condition is the organization's noncompliance with the requirements of the Urban Park and Recreation Recovery Program and CDBG.

CRITERIA: Urban Park and Recreation Recovery Program and CDBG require audits be performed no later than six months after the close of the agency's fiscal year-end.

RECOMMENDATION: I recommend that Friend's of NORD, Inc. engage their audit on a timely basis.

SCHEDULE OF PRIOR AUDIT FINDINGS

Friend's of NORD, Inc.
Status of Prior Audit Findings
December 31, 2009

Reportable Conditions	Resolved	Unresolved
1. None	N/A	N/A