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GREATER NEW ORLEANS, INC.

AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2006 AND 2005

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Greater New Orleans, Inc. and Affiliate,
Greater New Orleans Development Foundation
New Orleans, Louisiana

We have audited the accompanying consolidated statements of financial position of Greater New Orleans, Inc. and its affiliate Greater New Orleans Development Foundation (non-profit organizations) as of December 31, 2006 and 2005, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of Greater New Orleans, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of Greater New Orleans, Inc. (GNO, Inc.) in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We conducted our audits of the Greater New Orleans Development Foundation (the Foundation) in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide,* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and guide 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater New Orleans, Inc. and its affiliate Greater New Orleans Development Foundation as of December 31, 2006 and 2005, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information presented on Schedules "1" through "4" is presented for the purpose of additional analysis and is not a required part of the basic financial statements of GNO, Inc. and its affiliate, the Foundation. 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2007 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, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

June 25, 2007

Ericksen, Krentel & LaPorte LLP

Certified Public Accountants

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

ASSETS

	2006	2005
CURRENT ASSETS:		
Cash and cash equivalents	$ 196,787	$ 363,526
Cash held for others	26,099	1,099
Membership investment receivable	28,025	47,573
Contributions and grants receivable	299,220	23,620
Other receivables	-	7,470
Prepaid expenses	-	908
Unconditional promises to give	465,897	481,029
Total current assets	1,016,028	925,225
PROPERTY AND EQUIPMENT:		
Furniture, fixtures and equipment	38,987	490,014
Equipment under capital lease	92,316	187,329
Leasehold improvements	-	22,701
	131,303	700,044
Less: accumulated depreciation	(125,026)	(645,476)
Net property and equipment	6,277	54,568
OTHER ASSETS:		
Deposits	10,713	10,713
Long-term unconditional promises to give, net	331,623	683,823
Total other assets	342,336	694,536
Total assets	$ 1,364,641	$ 1,674,329

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

LIABILITIES AND NET ASSETS

	2006	2005
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 124,326	$ 192,825
Line of credit	98,690	100,000
Funds held for others	26,099	1,099
Deferred revenue	51,000	228,014
Current portion of obligations under capital lease	10,513	29,615
Current portion of long-term debt	47,733	14,123
Total current liabilities	358,361	565,676
LONG-TERM LIABILITIES:		
Obligations under capital lease, less current portion	-	10,513
Long-term debt, less current portion	131,731	175,877
Total long-term liabilities	131,731	186,390
Total liabilities	490,092	752,066
NET ASSETS:		
Unrestricted	77,029	(242,589)
Temporarily restricted	797,520	1,164,852
Total net assets	874,549	922,263
Total liabilities and net assets	$ 1,364,641	$ 1,674,329

See accompanying **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Exhibit "B"

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

UNRESTRICTED NET ASSETS	2006	2005
Unrestricted revenues and gains:		
Membership investments	$ 805,402	$ 799,480
Contributions:		
Government contributions	134,496	139,496
Private contributions	332,330	450,000
Government grants	398,190	405,442
Interest income	15,080	1,672
Other income	352,568	347,532
Total unrestricted revenues and gains	2,038,066	2,143,622
Net assets released from restrictions:		
Expiration of time restrictions	407,332	671,252
Total unrestricted revenues, gains and other support	2,445,398	2,814,874
Expenses:		
Program services:		
Jobs initiatives	330,198	839,217
Communications	123,466	374,539
Workforce development	343,354	273,036
Public policy	237,816	211,326
Program implementation	528,564	621,231
Supporting services:		
General and administrative	562,382	538,672
Total expenses	2,125,780	2,858,021
Increase (decrease) in unrestricted net assets	319,618	(43,147)
TEMPORARILY RESTRICTED NET ASSETS		
Temporarily restricted revenues:		
Jobs development campaign:		
Membership investments	40,000	40,093
Contributions	-	8,386
Net assets released from restrictions:		
Expiration of time restrictions	(407,332)	(671,252)
Losses on uncollectible pledges	-	(758,730)
Decrease in temporarily restricted net assets	(367,332)	(1,381,503)
Decrease in net assets	(47,714)	(1,424,650)
Net assets, beginning of year	922,263	2,346,913
Net assets, end of year	$ 874,549	$ 922,263

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Exhibit "C"

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Decrease in net assets	$ (47,714)	$ (1,424,650)
Adjustments to reconcile increase in net assets to net cash from (used in) operating activities:		
Depreciation	41,511	71,949
Allowance for uncollectible promises to give	(48,000)	50,000
Losses on uncollectible pledges	-	758,730
Loss on disposal of assets	6,780	10,139
(Increase) decrease in:		
Cash held for others	(25,000)	390
Membership investment receivable	19,548	22,557
Contributions and grants receivable	(275,599)	70,566
Other receivables	7,470	(7,470)
Prepaid expenses	906	9,996
Deposits	-	(10,713)
Unconditional promises to give	415,332	572,773
Increase (decrease) in:		
Accounts payable and accrued expenses	(68,497)	(37,031)
Funds held for others	25,000	(390)
Deferred revenue	(177,014)	196,774
Net cash from (used in) operating activities	(125,277)	283,620
CASH FLOWS (USED IN) INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(3,000)
Net cash (used in) investing activities	-	(3,000)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Net proceeds from (payments on) line of credit	(1,311)	(100,777)
Principal payments under capital lease obligations	(29,615)	(46,458)
Proceeds from issuance of long-term debt	(10,536)	190,000
Net cash from (used in) financing activities	(41,462)	42,765
Net increase (decrease) in cash and cash equivalents	(166,739)	323,385
Cash and cash equivalents at beginning of year	363,526	40,141
Cash and cash equivalents at end of year	$ 196,787	$ 363,526

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Greater New Orleans, Inc. (GNO, Inc.) is a Louisiana non-profit corporation organized on a non-stock basis and is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. GNO, Inc. is a public/private partnership reformed in January 2004 to spearhead economic development for the ten-parish Greater New Orleans region, which accounts for about one-third of Louisiana's economy. In collaboration with government, business and industry, and civic leaders, GNO, Inc.'s professional economic development staff works to create jobs in Southeast Louisiana, market the parishes to companies seeking to expand or relocate, and retain and grow existing businesses.

GNO, Inc.'s affiliate, Greater New Orleans Development Foundation (the Foundation) is a Louisiana non-profit corporation organized on a non-stock basis and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation was created to provide support to the charitable, scientific and educational programs initiated and implemented by GNO, Inc.

Principles of Consolidation

The accompanying financial statements reflect the consolidated financial statements of GNO, Inc. and the Foundation. The Board of Directors of the Foundation consists of the thirteen members of the Executive Committee of the Board of Directors of GNO, Inc., plus four additional directors appointed by the Chairman of the Board of GNO, Inc. GNO, Inc. and the Foundation share common facilities and personnel. Material interorganization transactions and balances have been eliminated.

Basis of Accounting

The consolidated financial statements of GNO, Inc. and affiliate have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of GNO, Inc. and of the Foundation. Both affiliates follow standards established for external financial reporting by not-for-profit organizations which requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

- **Unrestricted** – Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.

- **Temporarily Restricted** – Net assets whose use is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of GNO, Inc. and the Foundation pursuant to those stipulations.

- **Permanently Restricted** – Net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of GNO, Inc. and the Foundation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, GNO, Inc. and the Foundation consider certificates of deposit and all short-term, highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Membership Investment Receivable

Based on management's evaluation of uncollected membership investment receivable at the end of each year, bad debts are provided for on the allowance method. No allowance has been recorded for the years ended December 31, 2006 and 2005, as management believes all amounts are collectible.

Contributions and Grants Receivable

Based on management's experience and relationship with donors and granting agencies, all contributions and grants receivables are considered to be fully collectible. Accordingly, no allowance for uncollectible accounts has been recorded within these financial statements.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost, less an allowance for accumulated depreciation. Additions, improvements, and betterments to property and equipment in excess of $500 are capitalized.

Expenditures for maintenance, repairs, and improvements which do not materially extend the useful lives of the assets are charged to expense as incurred. When property and equipment are removed from service, the cost of the asset and the related accumulated depreciation are removed from the books, and any resulting gain or loss is credited to or charged against the current period's income.

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. The estimated useful lives used in computing depreciation are as follows:

Furniture, fixtures and equipment	5 to 8 years
Equipment under capital lease	5 years
Leasehold improvements	10 years

Depreciation expense for the years ended December 31, 2006 and 2005 was $41,511 and $71,949, respectively.

Revenue Recognition

Revenues are provided primarily by membership investments, contributions from local businesses, and grants. Membership investments and contributions received, including unconditional promises, are recognized as revenues when the members or donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Promises made and collected in the same reporting period are recorded when received in the appropriate net asset category. Promises of non-cash assets are recorded at their fair value. Conditional promises are recorded when member or donor stipulations are substantially met. Grant revenues are recognized in accordance with the terms of the grant.

Donated Services

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

GREATER NEW ORLEANS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006 AND 2005

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

GNO, Inc. and the Foundation expenses the production costs of advertising as incurred, except for direct-response advertising which is capitalized and amortized over its expected period of future benefits. Advertising expense for the years ended December 31, 2006 and 2005 was $131,790 and $137,753 respectively.

Use of Estimates

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

Paid Leave

Prior to July 1, 2000, all full-time classified employees of GNO, Inc. were permitted to accrue up to a maximum of 30 days of paid leave (annual leave). Effective July 1, 2000, all paid leave earned subsequent to June 30, 2000 and not used by employees is forfeited. Upon termination of employment, an employee is paid for accrued paid leave based on the respective current hourly rate of pay. All liabilities are accrued when incurred and are reflected within accounts payable and accrued expenses in the accompanying financial statements.

(2) CASH FLOW INFORMATION

Operating activities for the years ended December 31, 2006 and 2005 reflect the following:

	2006	2005
Interest paid	$ 29,251	$ 28,405

Non-Cash Investing Activities

During 2006 and 2005, GNO, Inc. and the Foundation disposed of obsolete computer equipment and abandoned leasehold improvements with an original cost of $568,741 and $58,872, accumulated amortization of $561,961 and $48,733 and a net book value of $6,780 and $10,139, respectively.

(3) RESTRICTION ON NET ASSETS

All the restrictions on net assets at the end of 2006 and 2005 are related to funds raised through the Jobs Development Campaign, an initiative to raise funds to finance GNO, Inc.'s five year plan to increase jobs and bring new business into the New Orleans region.

The unconditional promises to give are an annual investment for each of the next five years. The restrictions are temporary and are considered to expire when the investment is due.

(4) PROMISES TO GIVE

Unconditional promises to give consists of the following:

	2006	2005
Temporarily restricted promises	$ 944,896	$ 1,429,027
Less: Unamortized discount	(45,376)	(114,175)
Less: Allowance for uncollectible promises	(102,000)	(150,000)
Net unconditional promises	$ 797,520	$ 1,164,852
Amounts due in:		
Less than one year	$ 465,897	$ 481,029
One to five years	478,999	947,998
	$ 944,896	$ 1,429,027

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using an average discount rate of 4.6%. An allowance for uncollectible promises to give of $102,000 and $150,000 has been recorded for the years ended December 31, 2006 and 2005, respectively.

Due to the impact of Hurricane Katrina in 2005, GNO, Inc. and the Foundation experienced a drastic change in the collectibility of their unconditional promises to give. As a result, management reduced the fair values of certain promises which resulted in a loss on uncollectible pledges of $758,730 as reflected in the accompanying 2005 Statement of Activities.

(4) PROMISES TO GIVE (CONTINUED)

Conditional promises to give are recognized when the conditions have been substantially met. During 2005, GNO, Inc. and the Foundation had several promises to give which were conditional based on the abilities to meet performance goals, which will be reviewed annually. The following is the expected future cash flows from these promises:

2007	$ 57,550
2008	64,550
2009	10,000
Total conditional promises to give	$ 132,100

(5) PENSION PLAN

GNO, Inc. maintains a 401(k) profit sharing plan and trust that covers all eligible employees. Employer contributions to the plan are determined annually by the Board of Directors. For the years ended December 31, 2006 and 2005, employer contributions to this plan totaled $56,310 and $72,920, respectively.

(6) LEASE COMMITMENTS

Capital Leases

GNO, Inc. acquired office equipment under the provisions of four capital leases. The minimum lease payments relating to the equipment have been capitalized. One lease expired in September 2005, two leases expired in May 2006 and the final one expires April 2007. The leased equipment under capital lease as of December 31, 2006 and 2005 has a cost of $92,316 and $187,329, accumulated amortization of $54,248 and $156,923, and a net book value of $38,068 and $30,406, respectively. Amortization of leased property is included in depreciation expense.

The future minimum lease payments under the remaining capital lease and the net present value of the future minimum lease payments are as follows for the year ending December 31, 2006:

2007 lease payments	$ 11,200
Amount representing interest	(687)
Remaining capital lease obligation	$ 10,513

(6) LEASE COMMITMENTS (CONTINUED)

Operating Leases

GNO, Inc. conducts its operations from facilities that are leased under a ten year non-cancelable operating lease expiring April 30, 2015. The lease requires monthly rental payments of $10,713 through April 2010 and $12,330 through April, 2015 and contains an option to renew for two additional five year terms. Rent expense under operating leases for 2006 and 2005 was $119,892 and $144,509, respectively.

At December 31, 2005, minimum rental commitments for the next five years under non-cancelable operating leases were as follows:

Year Ending December 31,

2007	$	128,556
2008		128,556
2009		128,556
2010		141,492
2011		141,492

(7) LINE OF CREDIT

GNO, Inc. has a $100,000 unsecured line of credit which requires monthly interest on any outstanding balances at the prime rate (8.25% at December 31, 2006). For the years ended December 31, 2006 and 2005, the outstanding and payable amounts were $98,690 and $100,000, respectively.

(8) LONG-TERM DEBT

Long-term debt at December 31, 2006 and 2005 consisted of the following:

	2006	2005
GNO, Inc. note payable to bank, monthly interest only payments through September 2006, then 48 monthly installments, including interest at a rate of 6.00% through August, 2010, secured by the assets of GNO, Inc.	$ 179,464	$ 190,000
Less current portion:	(47,733)	(14,123)
	$ 131,731	$ 175,877

(8) LONG-TERM DEBT (CONTINUED)

The following is a summary of principal maturities of long-term debt during the next four years ending December 31,

2007	$	47,733
2008		46,901
2009		49,857
2010		34,973
	$	179,464

Total interest costs incurred and charged to expense was $30,758 and $25,179 for all financing arrangements for the years ended December 31, 2006 and 2005, respectively.

(9) DONATED SERVICES AND FACILITIES

Unrestricted revenue includes donated services and facilities valued at $41,055 and $26,205 for 2006 and 2005, respectively. The corresponding expenses are reflected in the financial statements as follows:

	Program Services	
	2006	2005
Advertising, public awareness and graphic design	$ 41,055	$ 26,205
	$ 41,055	$ 26,205

(10) RELATED PARTY TRANSACTIONS

During 2006 and 2005, GNO, Inc. and the Foundation contracted with a law firm to provide consulting and legal services on a monthly basis. A member of the Board of Directors is a partner with this law firm. The fees paid to the law firm for the years ended December 31, 2006 and 2005 were $59,619 and $61,843.

(11) CONCENTRATION OF CREDIT RISK

GNO, Inc. and the Foundation maintains its cash in bank deposit accounts at various financial institutions. The balances at times may exceed federally insured limits. At December 31, 2006 and 2005, the balances exceeded the insured limit by $34,557 and $288,296, respectively.

Financial instruments that potentially subject GNO, Inc. and the Foundation to concentrations of credit risk consist principally of promises to give receivable and credit extended to members for dues. GNO, Inc. and the Foundation do not require collateral or other security for these amounts.

(12) COMMITMENTS AND CONTINGENCIES

GNO, Inc. has an employment agreement with its President/CEO which expired February 9, 2007 and is expected to be renewed with an extension. This agreement can be terminated by either party without cause. The employee is entitled to receive severance pay for a period of 180 days equal to his semi-monthly compensation.

(13) MAJOR CONTRIBUTORS

During 2005, GNO, Inc. and the Foundation received contributions from seven donors that represented 36% of the total unrestricted revenues for the year.

During 2006, GNO, Inc. and the Foundation received contributions from seven donors that represented 35% of the total unrestricted revenues for the year.

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATED SCHEDULES OF UNRESTRICTED REVENUES - OTHER INCOME
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
Meeting reimbursements	$ 28,410	$ 33,645
Sponsorships and special program revenues	116,435	207,393
New Orleans Regional Leadership Institute registration income	29,831	60,767
Sales of publications and brochures	-	24
Certification income	11,583	6,576
Business interuption insurance	163,391	-
Miscellaneous income	2,918	39,127
	$ 352,568	$ 347,532

Schedule "2"

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATED SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
Salaries, wages and employee benefits	$ 1,167,805	$ 1,670,162
Telephone	62,197	55,216
Postage and mailing	1,033	7,302
Supplies and printing	27,328	52,448
Equiment maintenance	17,396	10,140
Travel, meals and lodging	111,334	172,562
Professional and consulting fees	257,567	369,401
Advertising and public relations	131,790	137,753
Publications	5,740	9,569
Meetings and programs	57,546	45,434
Membership dues and management development	11,700	5,105
Insurance	30,603	34,255
Rent	119,892	144,509
Depreciation	41,511	71,949
Interest expense	30,758	25,179
Bad debt expense	6,368	-
Loss (gain) on disposal of fixed assets	6,782	10,139
Miscellaneous	38,430	36,898
	$ 2,125,780	$ 2,858,021

(See Auditors' Report)

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2006

ASSETS

	GNO, Inc.	Foundation	Eliminating Entries	Total
CURRENT ASSETS:				
Cash and cash equivalents	$ 196,762	$ 25	$ -	$ 196,787
Cash held for others	-	26,099	-	26,099
Membership investment receivable	28,025	-	-	28,025
Contributions and grants receivable	-	299,220	-	299,220
Advances to affliates	337,530	-	(337,530)	-
Unconditional promises to give	414,699	51,198	-	465,897
Total current assets	977,016	376,542	(337,530)	1,016,028
PROPERTY AND EQUIPMENT:				
Furniture, fixtures and equipment	34,442	4,545	-	38,987
Equipment under capital lease	92,316	-	-	92,316
	126,758	4,545	-	131,303
Less: accumulated depreciation	(120,481)	(4,545)	-	(125,026)
Net property and equipment	6,277	-	-	6,277
OTHER ASSETS:				
Deposits	10,713	-	-	10,713
Long-term unconditional promises to give, net	286,237	45,386	-	331,623
Total other assets	296,950	45,386	-	342,336
Total assets	$ 1,280,243	$ 421,928	$ (337,530)	$ 1,364,641

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2006

LIABILITIES AND NET ASSETS

	GNO, Inc.	Foundation	Eliminating Entries	Total
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	$ 124,326	$ -	$ -	$ 124,326
Line of credit	98,690	-	-	98,690
Funds held for others	-	26,099	-	26,099
Deferred revenue	51,000	-	-	51,000
Current portion of obligations under capital lease	10,513	-	-	10,513
Current portion of long-term debt	47,733	-	-	47,733
Advances from affiliates	-	337,530	(337,530)	-
Total current liabilities	332,262	363,629	(337,530)	358,361
LONG-TERM LIABILITIES:				
Long-term debt, less current portion	131,731	-	-	131,731
Total long-term liabilities	131,731	-	-	131,731
Total liabilities	463,993	363,629	(337,530)	490,092
NET ASSETS:				
Unrestricted	115,314	(38,285)	-	77,029
Temporarily restricted	700,936	96,584	-	797,520
Total net assets	816,250	58,299	-	874,549
Total liabilities and net assets	$ 1,280,243	$ 421,928	$ (337,530)	$ 1,364,641

GREATER NEW ORLEANS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	GNO, Inc.	Foundation	Eliminating Entries	Total
UNRESTRICTED NET ASSETS				
Unrestricted revenues and gains:				
Membership investments	$ 805,402	$ -	$ -	$ 805,402
Contributions:				
Government contributions	-	134,496	-	134,496
Private contributions	-	332,330	-	332,330
Government grants	-	398,190	-	398,190
Interest income	15,080	-	-	15,080
Other income	1,108,209	1	(755,642)	352,568
Total unrestricted revenues and gains	1,928,691	865,017	(755,642)	2,038,066
Net assets released from restrictions	367,400	39,932	-	407,332
Total unrestricted revenues, gains and other support	2,296,091	904,949	(755,642)	2,445,398
Expenses:				
Program services:				
Jobs initiatives	330,198	262,842	(262,842)	330,198
Communications	123,466	98,281	(98,281)	123,466
Workforce development	343,354	273,314	(273,314)	343,354
Public policy	237,816	-	-	237,816
Program implementation	528,564	60,972	(60,972)	528,564
Supporting services:				
General and administrative	562,382	60,233	(60,233)	562,382
Total expenses	2,125,780	755,642	(755,642)	2,125,780
Increase (decrease) in unrestricted net assets	170,311	149,307	-	319,618
TEMPORARILY RESTRICTED NET ASSETS				
Temporarily restricted revenues:				
Jobs development campaign:				
Membership investments	40,000	-	-	40,000
Contributions	-	-	-	-
Net assets released from restrictions:				
Expiration of time restrictions	(367,400)	(39,932)	-	(407,332)
Losses on uncollectible pledges	-	-	-	-
(Decrease) in temporarily restricted net assets	(327,400)	(39,932)	-	(367,332)
Increase (decrease) in net assets	(157,089)	109,375	-	(47,714)
Net assets, beginning of year	973,339	(51,076)	-	922,263
Net assets, end of year	$ 816,250	$ 58,299	$ -	$ 874,549

(See Auditors' Report)

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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 of
Greater New Orleans Development Foundation
New Orleans, Louisiana 70130

We have audited the financial statements of Greater New Orleans Development Foundation (the Foundation), as of and for the year ended December 31, 2006, and have issued our report thereon dated June 25, 2007. 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 Greater New Orleans Development 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 Foundation'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 Foundation'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 entity'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 Greater New Orleans Development 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, 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*.

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

June 25, 2007

Ericksen, Krentel & LaPorte LLP

Certified Public Accountants