

Shreveport Green



Financial Statements
Years Ended December 31, 2019 and 2018

Shreveport Green

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Independent Auditor's Report

The Board of Directors
Shreveport Green
Shreveport, Louisiana

I have audited the accompanying financial statements of Shreveport Green, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and summary of significant accounting policies and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shreveport Green as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, The Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matters

As discussed in Note 15 to the financial statements, Shreveport Green made certain adjustments for the years ended December 31, 2017 and 2018. As discussed in Note 16 to the financial statements, Shreveport Green adopted new accounting pronouncements for the years ended December 31, 2019 and 2018. My opinion is not modified with respect to these matters.



Certified Public Accountant

Shreveport, Louisiana
July 28, 2020

Shreveport Green

Statements of Financial Position

<i>December 31,</i>	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$243,280	\$240,784
Accounts receivable	10,072	16,116
Grants receivable (Note 7)	-	8,844
Prepaid insurance	5,412	9,814
Total current assets	258,764	275,558
Property and equipment, net (Note 6)	57,820	68,129
Total Assets	\$316,584	\$343,687
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,275	\$ 11,216
Current portion of long-term debt net of unamortized discount (Note 8)	96,370	-
Total current liabilities	103,645	11,216
Long term liabilities		
Long-term debt, net of unamortized discount (Note 8)	-	92,740
Total Liabilities	103,645	103,956
Net assets:		
With donor restrictions (Notes 14 and 15)	127,425	56,482
Without donor restrictions (Note 15)	85,514	183,249
Total net assets	212,939	239,731
Total Liabilities and Net Assets	\$316,584	\$343,687

See accompanying summary of significant accounting policies and notes to financial statements.

Shreveport Green

Statements of Activities

<i>Years Ended December 31,</i>	2019	2018
Changes in net assets without donor restrictions		
Revenue and Public Support:		
Governmental grants (Note 1 and 16)	\$112,500	\$117,900
Other public support, including net assets released from restrictions of \$23,078 in 2019 and \$20,615 in 2018 (Note 3)	55,222	62,256
Grants – Serve Louisiana (Note 2)	80,481	87,831
Memberships and contributions	66,844	80,454
Contract for services (Note 4 and 16)	47,105	59,978
Fundraising income	23,735	19,340
Querbes Park Foundation, including net assets released from restriction of \$51,036 in 2019 and 45,787 in 2018 (Note 15)	51,036	45,787
Tree legacy program	7,225	2,865
In-kind donations (Note 9)	5,226	5,759
Total revenue and public support without donor restrictions	449,374	482,170
Other Revenue:		
Miscellaneous income	2,500	5,985
Tree sales	445	2,834
Interest income	-	6
Total other revenue	2,945	8,825
Total public support and other revenue without restrictions	452,319	490,995
Expenses:		
Management and general program	283,594	301,687
ShreveCorps program	142,342	112,139
Other specific programs	124,119	128,823
Total expenses	550,055	542,649
Decrease in net assets without donor restrictions	(97,736)	(51,654)
Changes in net assets with donor restrictions:		
Grants and contributions with donor restrictions (Note 15)	145,058	74,055
Net assets released from restrictions (Note 15)	(74,114)	(66,402)
Increase in net assets with donor restrictions	70,944	7,653
Decrease in net assets	(26,792)	(44,001)
Net assets, beginning of year	239,731	283,732
Net assets, end of year	\$212,939	\$239,731

See accompanying summary of significant accounting policies and notes to financial statements.

Year ended December 31,

2019

	Program Activities			Supporting Activities	
	ShreveCorps Program	Other Specific Programs	Total Program Activities	Management and General Program	Total Expenses
Expenses:					
Accounting and legal	\$ 3,600	\$ -	\$ 3,600	\$ 19,500	\$ 23,100
Automobile	20	-	20	128	148
Awards luncheon	-	-	-	5,024	5,024
Equipment rental	-	-	-	2,464	2,464
Contract labor	-	-	-	65	65
Depreciation	-	-	-	10,309	10,309
Dues and subscriptions	-	-	-	1,669	1,669
Entertainment and meetings	9	-	9	924	933
Fundraising	-	-	-	7,930	7,930
Grants-specific programs	-	45,651	45,651	-	45,651
Household hazardous waste	-	23,802	23,802	-	23,802
Insurance	4,881	-	4,881	35,180	40,061
Interest	-	3,630	3,630	141	3,771
Miscellaneous	5,226	-	5,226	2,694	7,920
Office expense	119	-	119	9,731	9,850
Payroll taxes	7,374	-	7,374	11,619	18,993
Postage	-	-	-	1,207	1,207
Professional training	1,350	-	1,350	1,674	3,024
Public relations	-	-	-	4,297	4,297
Querbes Park Foundation	-	51,036	51,036	-	51,036
Repairs/maintenance/security	889	-	889	3,545	4,434
Salaries	96,395	-	96,395	150,544	246,939
Supplies	15,964	-	15,964	479	16,443
Telephone	-	-	-	305	305
Travel	6,515	-	6,515	6,849	13,364
Trees	-	-	-	1,045	1,045
Utilities	-	-	-	6,271	6,271
Total expenses	\$142,342	\$124,119	\$266,461	\$283,594	\$550,055

Shreveport Green

Statements of Functional Expenses

2018

Program Activities			Supporting Activities	
ShreveCorps Program	Other Specific Programs	Total Program Activities	Management and General Program	Total Expenses
\$ 900	\$ -	\$ 900	\$ 21,300	\$ 22,200
-	-	-	-	-
-	-	-	4,734	4,734
-	-	-	2,613	2,613
-	-	-	65	65
-	-	-	12,867	12,867
-	-	-	989	989
88	-	88	1,196	1,284
-	-	-	7,149	7,149
-	48,446	48,446	-	48,446
-	30,988	30,988	-	30,988
3,544	-	3,544	28,789	32,333
-	3,630	3,630	218	3,848
5,788	-	5,788	2,447	8,235
-	-	-	8,816	8,816
4,558	-	4,558	13,482	18,040
-	-	-	992	992
1,670	-	1,670	1,051	2,721
-	-	-	3,027	3,027
-	45,690	45,690	-	45,690
-	-	-	5,310	5,310
69,829	-	69,829	167,318	237,147
20,548	-	20,548	2,375	22,923
-	-	-	621	621
5,214	69	5,283	6,681	11,964
-	-	-	1,740	1,740
-	-	-	7,907	7,907
\$112,139	\$128,823	\$240,962	\$301,687	\$542,649

See accompanying summary of significant accounting policies and notes to financial statements.

Shreveport Green

Statements of Cash Flows

<i>Years Ended December 31,</i>	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (26,792)	\$ (44,001)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	10,309	12,867
Noncash interest expense (amortization of discount)	3,630	3,630
Decrease in:		
Accounts and grants receivable	14,888	20,762
Prepaid insurance	4,402	145
Increase (decrease) in -		
Accounts payable	(3,941)	1,105
Net cash provided (used) by operating activities	2,496	(5,492)
Net increase (decrease) in cash	2,496	(5,492)
Cash at beginning of year	240,784	246,276
Cash at end of year	\$243,280	\$240,784
Interest paid	\$ 141	\$ 218

See accompanying summary of significant accounting policies and notes to financial statements.

Shreveport Green

Summary of Significant Accounting Policies

Nature of Activities

Shreveport Green is a nonprofit organization whose purpose is the promotion of the public interest in the improvement of the environment of the City of Shreveport through the promotion of recycling, coordination of litter control programs and the promotion of beautification through landscaping and other neighborhood improvements. The organization generates revenue through available grants and contribution support.

Basis of Accounting

The financial statements of Shreveport Green have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Concentrations of Credit Risk

The majority of Shreveport Green revenue comes from State of Louisiana grants, local grants, membership and service fees paid by local agencies. Shreveport Green is therefore heavily dependent on the State and local government for its operations.

Income Tax Status

As a nonprofit organization, Shreveport Green is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; but must file an annual return with the Internal Revenue Service that contains information on its financial operations. Shreveport Green is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also assess whether it has any tax positions associated with unrelated business income subject to income tax. Shreveport Green does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the accounting records.

Shreveport Green is required to file U.S. Federal Form 990 for informational purposes. Its Federal income tax filings for the tax years ended 2017 and beyond remain subject to examination by the Internal Revenue Service.

Summary of Significant Accounting Policies

(Continued)

Use of Estimates Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. Significant estimates include the useful lives of fixed assets and allocation of certain expenditures to grants and other programs.

Cash and Cash Equivalents For purposes of the statement of cash flows, Shreveport Green considers all highly liquid investments purchased with original maturities of three months or less to be cash and cash equivalents.

Property and Equipment Fixed assets are stated at cost, less accumulated depreciation, or fair value if donated. Depreciation and amortization are calculated using the straight-line method over the useful lives of the assets.

Revenue and Support For the year ended December 31, 2018, Shreveport Green adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, Shreveport Green is required to report information regarding the financial position and activities according to two classes of net assets: assets with donor restrictions and assets without donor restrictions. Prior year net assets have been reclassified to reflect current year classifications.

Net Assets

Assets without donor restrictions – The part of net assets that are not restricted by donor/grantor-imposed stipulations.

Assets with donor restrictions – The part of net assets that are restricted by donor/grantor-imposed stipulations.

Revenue

Contributions received may be recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Summary of Significant Accounting Policies

(Continued)

Revenue and Support - (continued)

Contractual grant revenue is reported as support without donor restrictions due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support and contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support and contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

For year ended December 31, 2019, Shreveport Green adopted Accounting Standards Codification (ASC) 606, "Revenue from Contracts with Customers." Revenues arising from contracts with customers are recognized at a point in time or over time according to the performance obligations specified or implied by the contract.

Performance Obligations

Contracts for Services and Performance Obligations

Revenue from contracts for services is recognized at a point in time directly associated with the completion of the service objective in an amount that reflects the consideration Shreveport Green expects to be entitled to in exchange for those services.

Compensated Absences

Full-time employees begin to earn general leave after six months of employment. Annual leave allowances range from 40 hours per year for employees with less than one year of service, 80 hours per year for employees with over one year of service, 120 hours for employees with more than five years of service and 160 hours of general leave for employees with over ten years of service. An employee may accumulate no more than 160 hours of annual leave. Unused leave cannot be carried over from year to year.

Shreveport Green

Summary of Significant Accounting Policies

(Concluded)

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting activities benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort

Subsequent Events

Management evaluated events subsequent to the Shreveport Green's most recent year end through July 28, 2020, the date the financial statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operating revenues. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on grantor, donors, customers, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact Shreveport Green's financial condition or results of operations is uncertain.

Allowance for Doubtful Accounts

Shreveport Green records an allowance for doubtful accounts based on specifically identified amounts believed to be uncollectible. Shreveport Green has a limited number of customers with individually large amounts due at any given balance sheet date. Any unanticipated change in one of those customers' credit worthiness or other matters affecting collectability of amounts due from such customers could have a material effect on the Shreveport Green's results of operations in the period in which such changes or events occur. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. At December 31, 2019 and 2018, the allowance for doubtful accounts totaled \$0 and \$0 respectively.

Shreveport Green

Notes to Financial Statements

1. Governmental Grants

Shreveport Green received grants from the following governments to support litter prevention, beautification, recycling and other community enhancement activities.

	2019	2018
City of Shreveport	\$ 75,000	\$ 87,900
Caddo Parish	37,500	30,000
	\$112,500	\$117,900

2. Other Grant Revenue

Shreveport Green received \$80,481 and \$87,831 in 2019 and 2018, respectively, from Serve Louisiana for their ShreveCorps program. This program is a youth-based life experience and service-learning opportunity committed to building an ethic of service among young adults and training them to address local environmental and community concerns.

3. Other Public Support

Shreveport Green conducted specific city beautification, litter control and tree planting projects during the years ended December 31, 2019 and 2018. Income for these programs is as follows:

	2019	2018
Litter Abatement Projects	\$19,040	\$14,742
Growing Good Neighbors	12,627	-
Mobile Market	9,909	33,628
Keep Louisiana Beautiful	8,411	7,986
Great American Cleanup	2,500	500
Healthy Futures	2,500	-
Other Specific Programs	235	5,400
	\$55,222	\$62,256

Shreveport Green

Notes to Financial Statements

(Continued)

4. Contracts for Services

Shreveport Green provided certain services under cooperative endeavor agreements or similar contracts. Revenues recognized from contracts for services are as follows:

	2019	2018
De Soto Parish hazardous waste collection	\$27,708	\$40,090
City of Shreveport hazardous waste collection	16,000	16,000
Caddo Parish Earth Camp	3,397	3,888
	<u>\$47,105</u>	<u>\$59,978</u>

Revenue, disaggregated by timing of transfer of goods and services follows:

	2019	2018
Revenue recognized based on goods and services transferred to customers at a point in time	\$47,105	\$59,978

5. Contract Balances

Shreveport Green records contract assets and liabilities related to contracts with customers.

Contract assets consist of the organization's right to payment from customers for goods or services that have been provided to those customers, with the right to collection conditional on something other than the passage of time. Contract assets were \$0 and \$0 for the years ended December 31, 2019 and 2018, respectively.

Contract liabilities consist of the organization's obligations to transfer goods or services to customers for which the organization has received consideration from customers, including advance payments received from customers for future goods and services. Contract liabilities were \$0 and \$0 for the years ended December 31, 2019 and 2018.

Accounts receivables represent the organization's unconditional right to receive payment for the fulfillment of contract performance obligations or other conditions. Accounts receivable were \$10,072 and \$16,116 for the years ended December 31, 2019 and 2018.

Shreveport Green

Notes to Financial Statements

(Continued)

6. Property and Equipment

Depreciation for financial reporting purposes is provided on the straight-line method based upon the estimated useful lives of the assets as follows: buildings - 25 years; vehicles and equipment - 3 to 10 years.

The major classifications of property and equipment as of December 31, 2019 and 2018 were as follows:

	2019	2018
Buildings and improvement	\$ 202,506	\$ 202,506
Automobiles	88,837	88,837
Equipment – General	55,076	55,076
Furniture and fixtures	10,222	10,222
Equipment – Neighborhood	545	545
	357,186	357,186
Accumulated depreciation	(299,366)	(289,057)
Property and equipment, net	\$ 57,820	\$ 68,129

Depreciation and amortization expense for property and equipment totaled \$10,309 and \$12,867 for the years ended December 31, 2019 and 2018, respectively.

7. Grants Receivable

Grants receivable consist of governmental and private grants for which Shreveport Green has fulfilled their grant obligations through the expenditure of funds for activities required under the grant. The grant receivable balance consisted of the following at December 31, 2019 and 2018 respectively:

	2019	2018
Keep Louisiana Beautiful	\$ -	\$6,934
City of Shreveport Neighborhood Improvement	-	1,910
	\$ -	\$8,844

Shreveport Green

Notes to Financial Statements

(Continued)

8. Long-term Debt

In December 2016, Shreveport Green entered into an agreement to borrow \$100,000 from a donor to be repaid over four years at zero percent interest to fund the Querbes Park Foundation program. Repayment is to be made only from donations specified for use in the project for which the loan was made. The agreement specified that the unpaid balance of the loan at December 31, 2020 would be forgiven and treated as a donation to Shreveport Green. Under the provisions of ASC 835-30, management has discounted the present value of the note by an imputed interest rate of 4 percent and recognized \$14,520 as contribution income to the Querbes Park Foundation for the year ended December 31, 2016. This discount will be amortized over the life of the loan as interest expense. The terms of the loan do not include a stated repayment schedule; however, it is fully due at December 31, 2020. Therefore, the note payable is considered a current liability as of December 31, 2019 and a long-term liability as of December 31, 2018.

The following constitutes note payable at December 31, 2019 and 2018:

	2019	2018
Note payable at 4%	\$100,000	\$100,000
Less unamortized discount	(3,630)	(7,260)
	96,370	92,740
Less current portion	(96,370)	-
Long-term debt	\$ -	\$ 92,740

9. In-Kind Donations

During the year ended December 31, 2019, Shreveport Green received \$5,226, in donations of in-kind goods and services. Of these gifts, \$613 were donated food supplies and \$4,613 were donated services related to training ShreveCorps participants. During the year ended December 31, 2018, Shreveport Green received \$5,759, in donations of in-kind goods and services. Of these gifts, \$338 were donated food supplies and \$5,421 were donated services related to training ShreveCorps participants.

Shreveport Green

Notes to Financial Statements

(Continued)

10. Lease Obligations

The organization leases various office equipment under operating leases. Minimum lease payments on long-term operating leases by year and in the aggregate for the year ended December 31, 2019 are as follows:

2020	\$2,019
2021	1,338
2022	852
2023	852
2024 and thereafter	1,065
Total	\$6,126

Lease expense for the years ended December 31, 2019 and 2018 amounted to \$2,464 and \$2,613, respectively.

11. Availability of Financial Assets

The following reflects Shreveport Green's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	2019	2018
Financial assets at year end	\$ 253,352	\$265,744
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions	(127,425)	(56,482)
Financial assets available to meet cash needs for general expenditures within one year	\$ 125,927	\$209,262

Shreveport Green

Notes to Financial Statements

(Continued)

13. Availability of Financial Assets - continued

Shreveport Green's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2019	2018
Cash and cash equivalents	\$115,855	\$184,302
Accounts receivable	10,072	16,116
Grants receivable	-	8,844
Total financial assets	\$125,927	\$209,262

14. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	2019	2018
Management and general programs:		
Querbes Park Foundation	\$105,588	\$32,966
Mobile Market	16,606	23,516
Litter Abatement	5,231	-
Total net assets with donor restrictions	\$127,425	\$56,482

15. Prior Period Adjustment

During 2019, management determined Shreveport Green did not record certain contributions as net assets with donor restrictions for the year ended December 31, 2017. To recognize the recharacterization of those donations, the net assets for the year beginning January 1, 2018 were restated as follows:

	As Originally Reported	As Restated
Net assets:		
With donor restrictions	\$ 15,131	\$ 48,829
Without donor restrictions	\$268,602	\$234,904

Shreveport Green

Notes to Financial Statements

(Continued)

15. Prior Period Adjustment - continued

During 2019, management determined Shreveport Green did not record certain contributions as net assets with donor restrictions for the year ended December 31, 2018. To recognize the recharacterization of those donations, certain items of income have been restated in the statement of activities for the year ended December 31, 2018 as follows:

	As Originally	
	Reported	As Restated
Revenues and Public Support:		
Querbes Park Foundation	\$ 45,055	\$ 45,787
Total revenues and public support without donor restrictions	\$481,438	\$482,170
Total public support and other revenues without donor restrictions	\$490,263	\$490,995
Decrease in net assets without donor restrictions	\$ (52,386)	\$ (51,654)
Changes in net assets with donor restrictions:		
Grants and contributions with donor restrictions	\$ 29,000	\$ 74,055
Net assets released from restrictions	\$ (20,615)	\$ (66,402)
Increase in net assets with donor restrictions	\$ 8,385	\$ 7,653

Additionally, the net assets as of December 31, 2018 were restated as follows:

	As Originally	
	Reported	As Restated
Net assets:		
With donor restrictions	\$ 23,516	\$ 56,482
Without donor restrictions	\$216,215	\$183,249

16. Adoption of New Pronouncement

For the year ended December 31, 2018, Shreveport Green adopted the Financial Accounting Standard Update (ASU) No. 2016-14 - Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amount previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Effective January 1, 2019, the Shreveport Green adopted ASU 2014-09, "Revenue from Contracts with Customers" and subsequent amendments. The amendments are required by GAAP, and collectively create a new Accounting Standards Codification (ASC) 606, "Revenue from Contracts with Customers," which replaces most of the existing revenue recognition guidance found in GAAP. ASC 606 establishes a new, single revenue framework to recognize revenue from contracts with customers and requires expanded disclosures for revenue transactions.

The Shreveport Green adopted ASC 606 using the full retrospective method applied to all contracts not completed as of January 1, 2019. There was no effect on the statement of financial position as of that date. The following recharacterizations have been made in the statement of activities as of December 31, 2018.

	As Originally	
	Reported	As Restated
Contracts for services	\$177,878	\$ 59,978
Governmental grants	\$ -	\$117,900

Supplemental Material



Shreveport Green

Schedule of Compensation, Benefits and Other Payments to Agency Head

Year Ended December 31, 2019

Donna Curtis, Executive Director

Salary	\$78,210
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements – mileage	4,749
Reimbursements – other	75
Travel	591
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
	\$83,625

2019-001 General Accounting Procedures

Condition

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Organization's annual financial statements. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles have not been established, nor has management demonstrated an ability to perform these functions in-house.

Criteria

Pursuant to the requirements of AU Section 325, "Communicating Internal Control Related Matters Identified in an Audit," this condition represents a control deficiency that is also considered to be a material weakness in internal controls.

Cause

The entity is small and is unable to afford the staffing to meet the applicable criteria.

Effect

The Organization does not have the resources (i.e. internal controls and expertise) to prepare the annual financial statements, complete with notes and free of material misstatement, in accordance with generally acceptable accounting principles. The auditor prepared the annual financial statements.

Recommendation

Whether or not it would be cost effective to cure a control deficiency is not a factor in applying the reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies an auditor reports under AU Section 325. In this case, we do not believe that curing the material weakness described would be cost effective or practical and accordingly, do not believe any corrective action is necessary.

Management Response

As noted above, no recommendation is made and no corrective action is necessary.

Shreveport Green

Status of Prior Year's Findings Year Ended December 31, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description Of Finding	Condition Corrected	Corrective Action Taken
2018-001	2014	Reliance on auditors for preparation of GAAP basis financial statements.	No	No recommendation was made, and no corrective action was considered necessary. This finding was repeated as 2019-001.