



Shreveport Green

Financial Statements
Years Ended December 31, 2017 and 2016

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 for the years ended December 31, 2017 and 2016, 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, 2017 and 2016, 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 17 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.



Certified Public Accountant

Shreveport, Louisiana
June 27, 2018

Shreveport Green

Statements of Financial Position

<i>December 31,</i>	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$246,276	\$182,982
Accounts receivable	5,722	8,552
Contributions receivable	10,000	-
Grants receivable (Note 4)	30,000	63,352
Settlement receivable (Note 8)	-	126,764
Prepaid insurance	9,959	9,287
Total current assets	301,957	390,937
Property and equipment, net (Note 5)	80,996	84,425
Total Assets	\$382,953	\$475,362
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 10,111	\$ 6,543
Total current liabilities	10,111	6,543
Long term liabilities		
Note payable, net of unamortized discount (Note 7)	89,110	85,480
Total Liabilities	99,221	92,023
Net assets:		
Temporarily Restricted Net Assets (Note 10)	15,131	14,020
Unrestricted	268,601	369,319
Total net assets	283,732	383,339
Total Liabilities and Net Assets	\$382,953	\$475,362

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

Shreveport Green

Statements of Activities

<i>Years Ended December 31,</i>	2017	2016
Changes in Unrestricted net assets		
Public Support:		
Contract for services (Note 1)	\$ 170,976	\$172,436
Other public support, including net assets released from restrictions of \$17,460 in 2017 and \$16,753 in 2016 (Note 3)	82,250	104,977
Grants – Louisiana Serve Commission (Note 2)	75,347	72,617
Memberships and contributions	73,577	65,657
Querbes Park Foundation	52,150	85,150
Fundraising income	9,937	30,743
In-kind donations (Note 6)	3,790	5,312
Tree legacy program	-	4,465
Total public support	468,027	541,357
Other Revenue:		
Miscellaneous income	7,000	5,726
Tree sales	5,492	4,593
Interest income	17	10
Settlement income (Note 8)	-	149,754
Gain from sale of assets	-	12,579
Total other revenue	12,509	172,662
Total public support and other revenue	480,536	714,019
Expenses:		
Management and general program	399,847	376,162
Other program services	181,407	254,421
Total expenses	581,254	630,583
Increase (decrease) in unrestricted net assets	(100,718)	83,436
Changes in temporarily restricted net assets:		
Restricted revenue	18,571	16,774
Net assets (released) from restrictions	(17,460)	(16,753)
Increase in temporarily restricted net assets	1,111	21
Increase (decrease) in net assets	(99,607)	83,457
Net assets, beginning of year	383,339	299,882
Net assets, end of year	\$ 283,732	\$383,339

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

Year ended December 31,

2017

	Management and General Program	ShreveCorps Program	Other Specific Programs	Total Expenses
Expenses:				
Accounting and legal	\$13,500	\$ -	\$ -	\$ 13,500
Automobile	1,804	-	-	1,804
Awards luncheon	3,871	-	-	3,871
Building and equipment	4,988	-	-	4,988
Contract labor	12,080	1,235	-	13,315
Depreciation	18,891	-	-	18,891
Dues and subscriptions	1,418	-	350	1,768
Entertainment and meetings	490	-	-	490
Fundraising	12,029	-	-	12,029
Grants-specific programs	8,050	600	9,366	18,016
Household hazardous waste	27,219	9	-	27,228
Insurance	36,281	2,885	-	39,166
Interest	328	-	3,630	3,958
Miscellaneous	5,867	2,500	-	8,367
Office expense	4,645	-	-	4,645
Postage	1,097	-	-	1,097
Professional training	3,511	1,119	641	5,271
Public relations	5,707	-	-	5,707
Querbes Park Foundation	-	-	93,369	93,369
Repairs/maintenance/security	1,850	-	-	1,850
Salaries	191,446	57,436	-	248,882
Supplies	7,271	4,681	-	11,952
Taxes	17,107	1,952	-	19,059
Telephone	1,245	-	-	1,245
Travel	9,173	1,292	342	10,807
Trees	-	-	-	-
Utilities	9,979	-	-	9,979
Total expenses	\$399,847	\$73,709	\$107,698	\$581,254

Shreveport Green

Statements of Functional Expenses

2016

Management and General Program	ShreveCorps Program	Other Specific Programs	Total Expenses
\$ 36,240	\$ -	\$ -	\$ 36,240
902	202	-	1,104
4,058	-	-	4,058
4,496	-	-	4,496
9,705	375	-	10,080
22,999	-	-	22,999
1,088	85	-	1,173
458	-	-	458
15,822	-	-	15,822
-	7,155	45,874	53,029
-	-	25,593	25,593
27,508	687	-	28,195
391	-	-	391
5,603	1,001	4,313	10,917
6,543	-	-	6,543
923	-	-	923
2,411	2,803	-	5,214
3,735	-	-	3,735
-	-	95,611	95,611
7,322	-	-	7,322
175,847	63,577	-	239,424
8,505	2,956	-	11,461
15,323	2,994	-	18,317
2,354	-	-	2,354
6,616	846	349	7,811
3,017	-	-	3,017
14,296	-	-	14,296
\$376,162	\$82,681	\$171,740	\$630,583

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

Shreveport Green

Statements of Cash Flows

<i>Years Ended December 31,</i>	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (99,607)	\$ 83,457
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	18,891	22,999
Noncash interest expense (amortization of discount)	3,630	-
Gain from sale of assets	-	(12,579)
(Increase) decrease in:		
Accounts, contributions, grants and settlement receivable	152,946	(120,081)
Prepaid Insurance	(672)	201
Increase (decrease) in:		
Accounts payable	3,568	(4,380)
Other liabilities-grants	-	(7,956)
Net cash provided (used) by operating activities	78,756	(38,339)
Cash flows from investing activities:		
Additions to property and equipment	(15,462)	-
Proceeds from disposition of assets	-	14,040
Net cash provided (used) by investing activities	(15,462)	14,040
Cash flows from financing activities:		
Proceeds from issuance of debt	-	100,000
Portion of loan classified as contribution	-	(14,520)
Net cash provided by financing activities	-	85,480
Net increase in cash	63,294	61,181
Cash at beginning of year	182,982	121,801
Cash at end of year	\$ 246,276	\$ 182,982
Interest paid	\$ 328	\$ 391

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 2015 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

Contributions received may be recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contractual grant revenue is reported as unrestricted support 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 that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Summary of Significant Accounting Policies

(Concluded)

**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, nor will unused days be paid upon termination of employment.

**Subsequent
Events**

Management evaluated events subsequent to Shreveport Greens most recent year end through June 27, 2018, the financial statement issuance date. No material subsequent events that require recognition or additional disclosure in the financial statements were noted.

Shreveport Green

Notes to Financial Statements

1. Contracts for Services

Shreveport Green received \$34,381 and \$53,916 in 2017 and 2016, respectively, from the Caddo Parish Commission to perform community-related projects to benefit the parish of Caddo. Shreveport Green also received an additional \$16,000 and \$16,000 in 2017 and 2016, respectively, for waste collection services from the City of Shreveport.

Shreveport Green received \$89,992 and \$75,000 in 2017 and 2016, respectively, from the City of Shreveport for litter prevention and other beautification and recycling efforts.

Shreveport Green also received \$29,790 and \$27,520 in 2017 and 2016, respectively, from DeSoto Parish for waste collection services.

2. Grants Revenue

Shreveport Green received \$75,347 and \$72,617 in 2017 and 2016, respectively, from Louisiana Serve Commission 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, 2017 and 2016. Income for these programs is as follows:

	2017	2016
Litter Abatement Projects	\$35,000	\$ 25,082
Mobile Market	14,345	3,525
Growing Good Neighbors	13,571	15,774
Other Specific Programs	10,162	10,036
Keep Louisiana Beautiful	6,172	2,123
Great American Cleanup	3,000	-
Forestry Project	-	29,437
Keep America Beautiful	-	19,000
	\$82,250	\$104,977

Shreveport Green

Notes to Financial Statements

(Continued)

4. 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, 2017, and 2016 respectively:

	2017	2016
Caddo Parish ShreveCorp Teams	\$30,000	\$30,000
Baton Rouge Forestry Grant	-	29,436
Caddo Parish Earth Camps	-	3,916
	\$30,000	\$63,352

5. 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, 2017 and 2016 were as follows:

	2017	2016
Buildings and improvement	\$ 202,506	\$ 202,506
Automobiles	88,837	88,837
Equipment – General	55,076	41,814
Furniture and fixtures	10,222	8,022
Equipment – Neighborhood	545	545
	357,186	341,724
Accumulated depreciation	(276,190)	(257,299)
Property and equipment, net	\$ 80,996	\$ 84,425

Depreciation and amortization expense for property and equipment totaled \$18,891 and \$22,999 for the years ended December 31, 2017 and 2016, respectively.

Shreveport Green

Notes to Financial Statements

(Continued)

6. In-Kind Donations

During the year ended December 31, 2017, Shreveport Green received \$3,790, in donations of in-kind goods and services. Of these gifts, \$300 were donated food supplies and \$3,490 were donated services related to training ShreveCorps participants. During the year ended December 31, 2016, Shreveport Green received \$5,312, in donations of in-kind goods and services. Of these gifts, \$4,312 were donated recycling supplies and \$1,000 were donated services related to training ShreveCorps participants.

7. Note Payable and 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. Accordingly, the amount is reflected as all long-term debt at December 31, 2017 and 2016.

The following constitutes long term debt at December 31, 2017 and 2016:

	2017	2016
Note payable at 4%	\$100,000	\$100,000
Less unamortized discount	(10,890)	(14,520)
Total long-term debt	\$ 89,110	\$ 85,480

Shreveport Green

Notes to Financial Statements

(Concluded)

8. Settlement Receivable

In 2016, Shreveport Green was awarded a \$149,754 settlement from the British Petroleum Deepwater Horizon Settlement Fund. Shreveport Green received \$126,764 in January 2017 representing the award less \$22,990 of attorney fees withheld, which are included in these financial statements as management and general expense for the year ended December 31, 2016.

9. 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, 2017 are as follows:

2018	\$1,899
2019	1,594
2020	1,167
2021	486
Total	\$5,146

Lease expense for the years ended December 31, 2017 and 2016 amounted to \$2,809 and \$2,522, respectively.

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for use in the Organization's litter abatement program.

Supplemental Material



Shreveport Green

Schedule of Compensation, Benefits and Other Payments to Agency Head

Year Ended December 31, 2017

Donna Curtis, Executive Director

Salary	\$81,210
Reimbursements – mileage	2,524
Reimbursements – conferences	659
Reimbursements – program expenses	78
	<u>\$84,471</u>

2017-001 Substantiation for Employee Pay Rates

Condition

Management was unable to produce documentation substantiating pay rates for employees. During my test of internal control over payroll, I was not able to match employee pay rates in the accounting records with the authorized pay rates in employee files.

Criteria

The Fair Labor Standards Act requires employers to retain documentation regarding authorized pay rates and, if applicable, timesheets. Additionally, federal and state records retention criteria require employers to retain personnel records for, in most cases, three years after an employee is terminated.

Cause

Management has not developed an internal process for documenting employee pay rates.

Effect

Additional time was required on the part of management and the auditor to substantiate payroll expenditures.

Recommendation

Management should review and comply with personnel records maintenance and retention criteria.

Management's Response

Management agrees with the finding and immediately corrected the finding.

2017-002 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.

Shreveport Green

Schedule of Findings Year Ended December 31, 2017 *(Concluded)*

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, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description Of Finding	Condition Corrected	Corrective Action Taken
2016-001	2014	Client was unable to locate supporting documentation to substantiate allocation of salaried personnel time to grant expenditures.	Yes	Management was able to produce documentation substantiating allocation of payroll expense for selected grants requiring such substantiation.
2016-002	2015	Management does not maintain employee payroll records substantiating pay rates.	Yes	Management has included wage documentation in employees' personnel files. Repeated as 2017-001.
2016-003	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 2017-002.