



Shreveport Green

Financial Statements
Years Ended December 31, 2018 and 2017

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, 2018 and 2017, 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, 2018 and 2017, 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 18 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
July 19, 2019

Shreveport Green

Statements of Financial Position

<i>December 31,</i>	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$240,784	\$246,276
Accounts receivable	16,116	5,722
Grants receivable (Note 4)	8,844	30,000
Contributions receivable	-	10,000
Prepaid insurance	9,814	9,959
Total current assets	275,558	301,957
Property and equipment, net (Note 5)	68,129	80,996
Total Assets	\$343,687	\$382,953
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 11,216	\$ 10,111
Total current liabilities	11,216	10,111
Long term liabilities		
Note payable, net of unamortized discount (Note 7)	92,740	89,110
Total Liabilities	103,956	99,221
Net assets:		
With donor restrictions (Note 10)	23,516	15,131
Without donor restrictions	216,215	268,601
Total net assets	239,731	283,732
Total Liabilities and Net Assets	\$343,687	\$382,953

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

Shreveport Green

Statements of Activities

<i>Years Ended December 31,</i>	2018	2017
Changes in net assets without donor restrictions		
Revenue and Public Support:		
Contract for services (Note 1)	\$177,878	\$170,976
Grants – Louisiana Serve Commission (Note 2)	87,831	75,347
Memberships and contributions	80,454	73,577
Other public support, including net assets released from restrictions of \$20,615 in 2018 and \$17,460 in 2017 (Note 3)	62,256	82,250
Querbes Park Foundation	45,055	52,150
Fundraising income	19,340	9,937
In-kind donations (Note 6)	5,759	3,790
Tree legacy program	2,865	-
Total revenue and public support without donor restrictions	481,438	468,027
Other Revenue:		
Miscellaneous income	5,985	7,000
Tree sales	2,834	5,492
Interest income	6	17
Total other revenue	8,825	12,509
Total public support and other revenue without restrictions	490,263	480,536
Expenses:		
Management and general program	301,687	364,578
ShreveCorps program	112,139	73,709
Other specific programs	128,823	142,967
Total expenses	542,649	581,254
Decrease in net assets without donor restrictions	(52,386)	(100,718)
Changes in net assets with donor restrictions:		
Grants with donor restrictions	29,000	18,571
Net assets released from restrictions	(20,615)	(17,460)
Increase in net assets with donor restrictions	8,385	1,111
Decrease in net assets	(44,001)	(99,607)
Net assets, beginning of year	283,732	383,339
Net assets, end of year	\$239,731	\$283,732

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

Year ended December 31,

2018

	Program Activities			Supporting Activities	
	ShreveCorps Program	Other Specific Programs	Total Program Activities	Management and General Program	Total Expenses
Expenses:					
Accounting and legal	\$ 900	\$ -	\$ 900	\$ 21,300	\$ 22,200
Automobile	-	-	-	-	-
Awards luncheon	-	-	-	4,734	4,734
Building and equipment	-	-	-	-	-
Contract labor	-	-	-	65	65
Depreciation	-	-	-	12,867	12,867
Dues and subscriptions	-	-	-	989	989
Entertainment and meetings	88	-	88	1,196	1,284
Fundraising	-	-	-	7,149	7,149
Grants-specific programs	-	48,446	48,446	-	48,446
Household hazardous waste	-	30,988	30,988	-	30,988
Insurance	3,544	-	3,544	28,789	32,333
Interest	-	3,630	3,630	218	3,848
Miscellaneous	5,788	-	5,788	5,060	10,848
Office expense	-	-	-	8,816	8,816
Postage	-	-	-	992	992
Professional training	1,670	-	1,670	1,051	2,721
Public relations	-	-	-	3,027	3,027
Querbes Park Foundation	-	45,690	45,690	-	45,690
Repairs/maintenance/security	-	-	-	5,310	5,310
Salaries	69,829	-	69,829	167,318	237,147
Supplies	20,548	-	20,548	2,375	22,923
Taxes	4,558	-	4,558	13,482	18,040
Telephone	-	-	-	621	621
Travel	5,214	69	5,283	6,681	11,964
Trees	-	-	-	1,740	1,740
Utilities	-	-	-	7,907	7,907
Total expenses	\$112,139	\$128,823	\$240,962	\$301,687	\$542,649

Shreveport Green

Statements of Functional Expenses

2017

Program Activities			Supporting Activities	
ShreveCorps Program	Other Specific Programs	Total Program Activities	Management and General Program	Total Expenses
\$ -	\$ -	\$ -	\$ 13,500	\$ 13,500
-	-	-	1,804	1,804
-	-	-	3,871	3,871
-	-	-	4,988	4,988
1,235	-	1,235	12,080	13,315
-	-	-	18,891	18,891
-	350	350	1,418	1,768
-	-	-	490	490
-	-	-	12,029	12,029
600	17,416	18,016	-	18,016
9	27,219	27,228	-	27,228
2,885	-	2,885	36,281	39,166
-	3,630	3,630	328	3,958
2,500	-	2,500	5,867	8,367
-	-	-	4,645	4,645
-	-	-	1,097	1,097
1,119	641	1,760	3,511	5,271
-	-	-	5,707	5,707
-	93,369	93,369	-	93,369
-	-	-	1,850	1,850
57,436	-	57,436	191,446	248,882
4,681	-	4,681	7,271	11,952
1,952	-	1,952	17,107	19,059
-	-	-	1,245	1,245
1,292	342	1,634	9,173	10,807
-	-	-	-	-
-	-	-	9,979	9,979
\$73,709	\$142,967	\$216,676	\$364,578	\$581,254

Shreveport Green

Statements of Cash Flows

<i>Years Ended December 31,</i>	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ (44,001)	\$ (99,607)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	12,867	18,891
Noncash interest expense (amortization of discount)	3,630	3,630
(Increase) decrease in:		
Accounts, contributions, grants and settlement receivable	20,762	152,946
Prepaid Insurance	145	(672)
Increase (decrease) in -		
Accounts payable	1,105	3,568
Net cash provided (used) by operating activities	(5,492)	78,756
Cash flows from investing activities -		
Additions to property and equipment	-	(15,462)
Net cash used by investing activities	-	(15,462)
Net increase (decrease) in cash	(5,492)	63,294
Cash at beginning of year	246,276	182,982
Cash at end of year	\$240,784	\$246,276
Interest paid	\$ 218	\$ 328

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 2016 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

(Concluded)

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.

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.

Functional Expenses

The costs of providing program and other activities have been summarize 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 Shreveport Greens most recent year end through July 19, 2019. 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 \$33,888 and \$34,381 in 2018 and 2017, 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 2018 and 2017, respectively, for waste collection services from the City of Shreveport.

Shreveport Green received \$87,900 and \$89,992 in 2018 and 2017, respectively, from the City of Shreveport for litter prevention and other beautification and recycling efforts.

Shreveport Green also received \$40,090 and \$29,790 in 2018 and 2017, respectively, from DeSoto Parish for waste collection services.

2. Grants Revenue

Shreveport Green received \$87,831 and \$75,347 in 2018 and 2017, 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, 2018 and 2017. Income for these programs is as follows:

	2018	2017
Mobile Market	\$33,628	\$14,345
Litter Abatement Projects	14,742	35,000
Keep Louisiana Beautiful	7,986	6,172
Other Specific Programs	5,400	10,162
Great American Cleanup	500	3,000
Growing Good Neighbors	-	13,571
	\$62,256	\$82,250

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, 2018, and 2017 respectively:

	2018	2017
Keep Louisiana Beautiful	\$6,934	\$ -
City of Shreveport Neighborhood Improvement	1,910	-
Caddo Parish ShreveCorps Teams	-	30,000
	\$8,844	\$30,000

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, 2018 and 2017 were as follows:

	2018	2017
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	(289,057)	(276,190)
Property and equipment, net	\$ 68,129	\$ 80,996

Depreciation and amortization expense for property and equipment totaled \$12,867 and \$18,891 for the years ended December 31, 2018 and 2017, respectively.

Shreveport Green

Notes to Financial Statements

(Continued)

6. In-Kind Donations

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. 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 recycling supplies and \$3,490 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, 2018 and 2017.

The following constitutes long term debt at December 31, 2018 and 2017:

	2018	2017
Note payable at 4%	\$100,000	\$100,000
Less unamortized discount	(7,260)	(10,890)
Total long-term debt	\$ 92,740	\$ 89,110

Shreveport Green

Notes to Financial Statements

(Continued)

8. 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, 2018 are as follows:

2019	\$1,594
2020	1,167
2021	486
Total	\$3,247

Lease expense for the years ended December 31, 2018 and 2017 amounted to \$2,613 and \$2,809, respectively.

9. 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.

	2018	2017
Financial assets at year end	\$265,744	\$291,998
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions	(23,516)	(15,131)
Financial assets available to meet cash needs for general expenditures within one year	\$242,228	\$276,867

Shreveport Green

Notes to Financial Statements

(Concluded)

9. 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:

	2018	2017
Cash and cash equivalents	\$217,268	\$231,145
Accounts receivable	16,116	5,722
Grants receivable	8,844	30,000
Contributions receivable	-	10,000
Total financial assets	\$242,228	\$276,867

10. Net Assets with Donor Restrictions

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

	2018	2017
Management and general programs:		
Mobile Market	\$23,516	\$ -
Litter Abatement	-	15,131
Total net assets with donor restrictions	\$23,516	\$15,131

11. 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.

Supplemental Material



Shreveport Green

Schedule of Compensation, Benefits and Other Payments to Agency Head

Year Ended December 31, 2018

Donna Curtis, Executive Director

Salary	\$78,210
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements – mileage	2,074
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
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	\$80,284

2018-001 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, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description Of Finding	Condition Corrected	Corrective Action Taken
2017-001	2015	Management was unable to produce documentation substantiating pay rates for employees.	Yes	Management has included wage documentation in employees' personnel files.
2017-002	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 2018-001.