



Shreveport Green

Financial Statements
Years Ended December 31, 2022 and 2021

Shreveport Green

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Shreveport Green
Shreveport, Louisiana

Opinion

I have audited the accompanying financial statements of Shreveport Green (a Louisiana not-for-profit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related summary of accounting policies and notes to the financial statements.

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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Shreveport Green and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Shreveport Green's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Shreveport Green's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shreveport Green's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Other Supplementary Information

My audit was 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

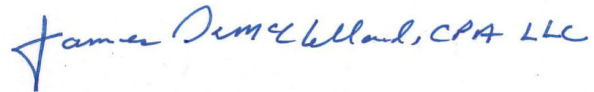
The Schedule of Compensation, Benefits and Other payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures 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 Matter

As discussed in Note 12 to the financial statements, Shreveport Green adopted a new accounting pronouncement. My opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 26, 2023, on my consideration of Shreveport Green’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of Internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shreveport Green’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shreveport Green’s reporting and compliance.



Certified Public Accountant

Shreveport, Louisiana
June 26, 2023

Independent Auditor’s 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

The Board of Directors
Shreveport Green
Shreveport, Louisiana

I have audited, in accordance with the 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, the financial statements of Shreveport Green (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statement of activities, cash flows, functional expenses, summary of accounting policies and notes to financial statements and have issued my report thereon dated June 26, 2023.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Shreveport Green’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shreveport Green’s internal control. Accordingly, I do not express an opinion on the effectiveness of Shreveport Green’s internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. I did identify one material weakness in internal control as listed at finding 2022-001.

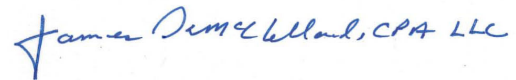
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shreveport Green's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shreveport Green's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shreveport Green's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant

Shreveport, Louisiana
June 26, 2023

Shreveport Green

Statements of Financial Position

<i>December 31,</i>	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$203,768	\$279,397
Accounts receivable (Note 5)	51,636	47,978
Grants receivable (Note 7)	58,746	35,668
Prepaid insurance	11,097	7,467
Total current assets	325,247	370,510
Operating lease right of use asset (Note 8)	6,785	8,917
Property and equipment, net (Note 6)	327,498	74,680
Total Assets	\$659,530	\$454,107
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 15,726	\$ 14,166
Operating lease liability, current (Note 8)	2,212	2,133
Total current liabilities	17,938	16,299
Operating lease liability, long-term (Note 8)	4,573	6,784
Total Liabilities	22,511	23,083
Net assets:		
With donor restrictions (Note 11)	125,687	133,731
Without donor restrictions	511,332	297,293
Total net assets	637,019	431,024
Total Liabilities and Net Assets	\$659,530	\$454,107

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

Shreveport Green

Statements of Activities

<i>Years Ended December 31,</i>	2022	2021
Changes in net assets without donor restrictions		
Revenue and Public Support:		
Governmental grants, including \$28,000 released from restrictions (Note 1)	\$276,334	\$276,097
Other public support, including net assets released from restrictions of \$27,675 in 2022 and 20,277 in 2021 (Note 3)	231,280	177,026
Grants – Serve Louisiana (Note 2)	129,408	79,660
Memberships and contributions	107,561	58,064
Querbes Park Foundation, including net assets released from restriction of \$85,821 in 2022 and \$117,371 in 2021	86,120	117,371
Contracts for services (Note 4)	51,712	52,970
Tree legacy program	2,536	1,650
Total revenue and public support without donor restrictions	884,951	762,838
Other Revenue:		
Contributions of nonfinancial resources (Note 9)	253,430	2,135
Tree sales	2,590	7,755
Miscellaneous income	1,169	2,499
Interest income	41	-
Total other revenue	257,230	12,389
Total public support and other revenue without restrictions	1,142,181	775,227
Expenses:		
Management and general program	439,556	372,177
Other specific programs	284,289	313,981
ShreveCorps program	204,297	133,189
Total expenses	928,142	819,347
Increase (decrease) in net assets without donor restrictions	214,039	(44,120)
Changes in net assets with donor restrictions:		
Grants and contributions with donor restrictions	133,451	206,307
Net assets released from restrictions	(141,495)	(137,598)
Increase (decrease) in net assets with donor restrictions	(8,044)	68,709
Increase in net assets	205,995	24,589
Net assets, beginning of year	431,024	406,435
Net assets, end of year	\$637,019	\$431,024

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

Year ended December 31,

2022

	Program Activities			Supporting Activities	
	ShreveCorps Program	Other Specific Programs	Total Program Activities	Management and General Program	Total Expenses
Expenses:					
Accounting and legal	\$ 3,650	\$ -	\$ 3,650	\$ 20,100	\$ 23,750
Automobile	-	-	-	1,893	1,893
Equipment rental	-	-	-	2,795	2,795
Depreciation	-	-	-	42,396	42,396
Dues and subscriptions	-	-	-	1,119	1,119
Entertainment and meetings	-	-	-	1,995	1,995
Fundraising	-	-	-	-	-
Grants-specific programs	-	120,059	120,059	-	120,059
Household hazardous waste	-	35,746	35,746	-	35,746
Insurance	7,555	-	7,555	37,649	45,204
Interest	-	-	-	893	893
Miscellaneous	3,350	-	3,350	1,092	4,442
Office expense	-	-	-	5,736	5,736
Payroll taxes	11,577	-	11,577	20,649	32,226
Postage	-	-	-	204	204
Professional training	1,172	-	1,172	984	2,156
Public relations	-	-	-	5,863	5,863
Querbes Park Foundation	-	113,821	113,821	-	113,821
Repairs/maintenance/security	-	-	-	7,584	7,584
Salaries	151,335	-	151,335	269,924	421,259
Supplies	20,627	-	20,627	142	20,769
Telephone	-	-	-	4,992	4,992
Travel	5,031	-	5,031	4,281	9,312
Trees	-	14,663	14,663	-	14,663
Utilities	-	-	-	9,265	9,265
Total expenses	\$204,297	\$284,289	\$488,586	\$439,556	\$928,142

Shreveport Green

Statements of Functional Expenses

2021

Program Activities			Supporting Activities	
ShreveCorps Program	Other Specific Programs	Total Program Activities	Management and General Program	Total Expenses
\$ 3,600	\$ -	\$ 3,600	\$ 20,150	\$ 23,750
-	-	-	2,657	2,657
-	-	-	2,488	2,488
-	-	-	19,520	19,520
-	-	-	1,134	1,134
296	-	296	948	1,244
-	-	-	188	188
563	145,978	146,541	-	146,541
-	35,163	35,163	-	35,163
11,636	-	11,636	37,122	48,758
-	-	-	80	80
2,135	-	2,135	3,012	5,147
-	-	-	7,643	7,643
6,762	-	6,762	17,354	24,116
-	-	-	1,440	1,440
512	-	512	515	1,027
-	-	-	6,700	6,700
-	117,371	117,371	-	117,371
-	-	-	8,879	8,879
88,397	-	88,397	226,890	315,287
18,060	-	18,060	61	18,121
-	-	-	3,165	3,165
1,228	-	1,228	4,073	5,301
-	15,469	15,469	-	15,469
-	-	-	8,158	8,158
\$133,189	\$313,981	\$447,170	\$372,177	\$819,347

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

Shreveport Green

Statements of Cash Flows

<i>Years Ended December 31,</i>	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 205,995	\$ 24,589
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	42,396	19,520
Contribution of long-lived nonfinancial assets	(250,000)	-
Changes in:		
Accounts and grants receivable	(26,736)	(5,729)
Prepaid insurance	(3,630)	(2,018)
Accounts payable	1,560	5,620
Grants refundable	-	(270)
Net cash provided by operating activities	(30,415)	41,712
Cash flows from Investing activities:		
Additions to property and equipment	(45,214)	-
Net cash used by investing activities	(45,214)	-
Net increase (decrease) in cash	(75,629)	41,712
Cash at beginning of year	279,397	237,685
Cash at end of year	\$ 203,768	\$ 279,397
Interest paid	\$ 893	\$ 80

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 2020 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 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.

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 -- All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

(Continued)

Summary of Significant Accounting Policies

(Continued)

Revenue and Support - (continued)

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue without donor restrictions and the related assets, which are set aside or otherwise designated by the board of directors for specific uses, are reflected as revenue without donor restrictions and net assets without donor restrictions in the accompanying financial statements.

Conditional Contributions, Grants and Non-exchange Contracts – Shreveport Green adopted ASU 2018-08 – “Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.” The ASU provides guidance on identifying conditions that would preclude the recognition of a contribution as revenue or affect the timing thereof. A condition represents a criterion Shreveport Green must achieve before becoming entitled to the transferred asset.

Cash and other assets received as conditional contributions, grants, and non-exchange contracts are accounted for as refundable advances on the statement of financial position until the condition has been substantially met or explicitly waived by the donor. Revenue is recognized on the date the condition was met as either an increase in net assets without donor restrictions or as an increase in net assets with donor restrictions if a time or purpose restrictions exist beyond the initial condition.

Contributed Nonfinancial Assets – Shreveport Green adopted ASU 2020-07, “Not-for Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets.” Shreveport Green reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

(Continued)

Summary of Significant Accounting Policies

(Continued)

Revenue and support – (concluded)

Absent explicit donor stipulations about how long those long-lived assets must be maintained, Shreveport Green reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Shreveport Green’s policy is to use contributed nonfinancial assets for general and administrative activities unless otherwise stipulated by explicit donor restrictions.

Contracts with Customers – 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.

Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified to conform with current year presentations. These reclassifications had no effect on reported results of operations.

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 June 26, 2023, the date the financial statements were available for issuance.

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, 2022 and 2021, 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.

	2022	2021
City of Shreveport	\$148,815	\$110,668
US Department of Housing and Urban	127,519	60,578
Caddo Parish	-	104,500
De Soto Parish	-	350
	\$276,334	\$276,096

Governmental grants for the years ended December 31, 2022 and 2021 include \$127,519 and \$60,578, respectively, received by Shreveport Green as a subrecipient of a US Department of Housing and Urban Development grant administered by the Volunteers of America of North Louisiana. The grant is an activity-based cost reimbursement grant in support of the Choice Neighborhoods program.

2. Other Grant Revenue

Shreveport Green received \$129,408 and \$79,660 in 2022 and 2021, 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.

Shreveport Green

Notes to Financial Statements

(Continued)

3. Other Public Support

Shreveport Green received contributions supporting specific programs during the years ended December 31, 2022 and 2021. Income for these programs is as follows:

	2022	2021
Mobile Market	64,865	41,483
Neighborhood Enhancement	52,675	20,227
Small-scale Agriculture Support	39,750	-
Tree Planting	29,188	29,160
ShreveCorps	22,508	-
Farm and Gardens	18,500	33,833
Keep Louisiana Beautiful	3,052	13,400
Other Specific Programs	742	24,423
Litter Abatement Projects	-	14,500
	\$231,280	\$177,026

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:

	2022	2021
De Soto Parish hazardous waste collection	\$35,712	\$36,970
City of Shreveport hazardous waste collection	16,000	16,000
	\$51,712	\$52,970

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

	2022	2021
Revenue recognized based on goods and services transferred to customers at a point in time	\$51,712	\$52,970

Shreveport Green

Notes to Financial Statements

(Continued)

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, 2022 and 2021, 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, 2022 and 2021.

Accounts receivable represent the organization's unconditional right to receive payment for the fulfillment of contract performance obligations or other conditions. Accounts receivable were \$51,636 and \$47,978 for the years ended December 31, 2022 and 2021.

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, equipment, and improvements - 3 to 10 years.

The major classifications of property and equipment as of December 31, 2022 and 2021 were as follows:

	2022	2021
Buildings and improvement	\$ 202,506	\$ 202,506
Automobiles	136,294	136,294
Leasehold improvements	295,214	-
Equipment – General	49,674	49,674
Furniture and fixtures	2,828	2,828
Equipment – Neighborhood	545	545
	687,061	391,847
Accumulated depreciation	(359,563)	(317,167)
Property and equipment, net	\$ 327,498	\$ 74,680

Shreveport Green

Notes to Financial Statements

(Continued)

6. Property and Equipment – (continued) Depreciation and amortization expense for property and equipment totaled \$42,396 and \$19,520 for the years ended December 31, 2022 and 2021, 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 grants receivable balance consisted of the following at December 31, 2022 and 2021 respectively:

	2022	2021
Volunteers of America HUD Choice Neighborhoods Grant	\$41,232	-
City of Shreveport Community Development Block Grant	17,514	\$35,668
	<u>\$58,746</u>	<u>\$35,668</u>

8. Leases Shreveport Green has adopted FASB ASC 842, *Leases*. Under this Statement, a lessee is required to recognize a lease liability and an intangible lease right-of-use asset (“ROU”).

Shreveport Green has the following lease obligations as of December 31, 2022:

Office equipment with an initial present value of \$6,961, a stated annual interest rate of 6.0% included in 60 monthly payments of \$135 beginning May 2021, and with an option to purchase the equipment for fair market value at the end of the lease term.

Office equipment with an initial present value of \$4,472, a stated interest rate of 0% included in 63 monthly payments of \$71 beginning January 2020, with no option to purchase the equipment at the end of the lease term.

(Continued)

Shreveport Green

Notes to Financial Statements

(Continued)

8. Leases (continued)

The following schedule summarizes lease information for 2022:

<hr/>	
Expenses	
Operating lease expense	2,133
<hr/>	
Total lease expense	\$2,133
<hr/>	
Cash paid for amounts included in the measurement of lease and liabilities for operating leases:	
Operating cash flows	\$2,133
ROU assets obtained in exchange for lease liabilities:	
Operating leases	\$-
Weighed average remaining lease terms (in years):	
Operating leases	1.6
Weighed average discount rate:	
Operating leases	6.0%
	<u>Operating</u>
<hr/>	
Maturity Analysis	
2023	\$2,212
2024	2,296
2025	1,746
2026 and thereafter	531
<hr/>	
Lease liability	\$6,785
<hr/>	

(Continued)

Shreveport Green

Notes to Financial Statements

(Continued)

8. Leases (concluded)

In addition to the lease information presented above, Shreveport Green leases land from the City of Shreveport for \$100 a year for ten years beginning in June 2021, with the option to renew the lease for three additional ten-year terms. Shreveport Green is responsible for improvements, maintenance, and utilities related to the activities conducted on the property.

Shreveport Green has 90 days from the expiration, termination, or revocation of the lease to remove any alterations, additions, or improvements made to the property and to repair any damage to the property cause by the removal of any such alterations, additions, or improvements. Management has not estimated any potential lease exist costs.

9. Contributed Nonfinancial Assets

Contributed nonfinancial assets without donor restrictions for the years ended December 31, 2022 and 2021 included:

	2022	2021
Hydroponic Agricultural Container	\$250,000	\$ -
Services	3,350	2,075
Goods and supplies	80	60
	\$255,452	\$2,135

The contributed hydroponic agricultural container will be used in support of the Choice Neighborhood and Urban Farm programs. The estimated fair market value approximates the donor's adjusted basis of the asset immediately prior to the donation.

Contributed services comprise professional speakers supporting the ShreveCorps program. Contributed services are valued at the estimated fair value based on current rates for speaking fees of similar subject matter experts.

Contributed goods and supplies consist of various items used in support of the Urban Farm program and are valued at the current cost to purchase similar goods and supplies.

Shreveport Green

Notes to Financial Statements

(Continued)

10. Liquidity and Availability of Resources

The board of directors is responsible for monitoring the liquidity necessary to meet the organization's operating needs. The board meets periodically throughout the year to evaluate the results of operations. As a part of the organization's liquidity management, it structures financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management believes the organization has sufficient financial assets available for general operations.

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.

	2022	2021
Financial assets at year end	\$ 314,150	\$ 363,043
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions	(125,687)	(133,731)
Financial assets available to meet cash needs for general expenditures within one year	\$ 188,463	\$ 229,312

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

	2022	2021
Cash and cash equivalents	\$78,081	\$145,666
Accounts receivable	51,636	47,978
Grants receivable	58,746	35,668
Total financial assets	\$188,463	\$229,312

Shreveport Green

Notes to Financial Statements

(Continued)

11. Net Assets with Donor Restrictions

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

	2022	2021
Management and general programs:		
Qurbes Park Foundation	\$125,687	\$133,731
Total net assets with donor restrictions	\$125,687	\$133,731

12. Adoption of New Accounting Pronouncements

Shreveport Green adopted the provisions of ASC 842 "Leases" effective January 1, 2021. Under ASC 842, Shreveport Green is required to record a Right of Use asset and a corresponding lease liability for both operating and financing leases. Previously, operating leases were not required to be recognized on the balance sheet. Management evaluated the effect of ASC 842 for leases in effect prior to January 1, 2021 and determined the effect was immaterial to the financial statements ended December 31, 2020.

For the year ended December 31, 2022, Shreveport Green adopted ASU 2020-07, "Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets." The goal of the ASU is to bring more transparency and consistency to the presentation and disclosure of contributed nonfinancial assets, also known as gifts-in-kind. The standard requires not-for-profit entities to disclose qualitative information about whether contributed nonfinancial assets were utilized or monetized. Additionally, entities must provide a description of donor-imposed restrictions (if any) and a description of valuation techniques used to arrive at a fair value measurement at initial recognition. The standard is effective for fiscal years beginning after June 15, 2021. The ASU was adopted on a retrospective basis with no material impact on the financial statements for the year ended December 31, 2021.

(Continued)

Shreveport Green

Notes to Financial Statements

(Concluded)

**12. Adoption of
New Accounting
Pronouncements
– (continued)**

For the year ended December 31, 2022, Shreveport Green adopted ASU 2018-08 “Not-for-Profit Entities (Topic 958) Clarifying The Scope and the Accounting Guidance for Contributions Received and Contributions Made.” This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides guidance on identifying conditions that would preclude the recognition of a contribution as revenue or affect the timing thereof. A condition represents a criterion Shreveport Green must achieve before becoming entitled to the transferred asset. The ASU was adopted on a retrospective basis with no material impact on the financial statements for the year ended December 31, 2021.

Supplemental Material



Shreveport Green

Schedule of Compensation, Benefits and Other Payments to Agency Head

Year Ended December 31, 2022

Donna Curtis, Executive Director

Salary	\$78,210
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements – mileage	2,833
Reimbursements – other	959
Travel	-
Registration fees	300
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<u>\$82,302</u>

Shreveport Green

Summary of Audit Results

Year Ended December 31, 2022

1. The independent auditor's report expressed an unqualified opinion on the financial statements of Shreveport Green.
2. No instances of noncompliance were reported in the independent auditor's report on compliance.
3. One material weakness in internal accounting control were disclosed in the independent auditor's report on internal control
4. One audit finding was identified.
5. A separate management letter was not issued.

2022-001 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, 2021

Ref. No.	Fiscal Year Finding Initially Occurred	Description Of Finding	Condition Corrected	Corrective Action Taken
2021-001	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 2022-001.