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SHREVEPORT GREEN

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and may be approved by public officials. The report is available for inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-2-00

SHREVEPORT GREEN

SHREVEPORT, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

**HEARD
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& VESTAL**
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April 14, 2000

To the Board of Directors
Shreveport Green
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying statements of financial position of Shreveport Green (a nonprofit organization) as of December 31, 1999 and 1998, and the related statements of activities, cash flows, and the statements of functional expenses for the years then ended. These financial statements are the responsibility of the management of Shreveport Green. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shreveport Green as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 14, 2000, on our consideration of Shreveport Green's internal control structure and on its compliance with laws and regulations.

Heard, McElroy + Vestal, LLP

SHREVEPORT GREEN
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1999 AND 1998

<u>A S S E T S</u>	<u>1999</u>	<u>1998</u>
<u>Current assets:</u>		
Cash and temporary investments	208,028	133,884
Grants receivable	47,628	28,275
Prepaid insurance	2,279	2,049
Other current assets	<u>1,801</u>	<u>-</u>
Total current assets	259,736	164,208
<u>Fixed assets:</u>		
Office furniture and equipment	67,263	57,974
Equipment-Neighborhood Program	10,418	8,291
Less-accumulated depreciation	<u>(44,228)</u>	<u>(33,464)</u>
Book value of fixed assets	<u>33,453</u>	<u>32,801</u>
Total assets	<u><u>293,189</u></u>	<u><u>197,009</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Payroll taxes payable	1,208	972
Current portion of lease obligation payable-Note 6	<u>2,994</u>	<u>3,690</u>
Total current liabilities	4,202	4,662
<u>Long-term portion of lease obligation payable-Note 6</u>	-	4,522
<u>Net assets-unrestricted</u>	<u>288,987</u>	<u>187,825</u>
Total liabilities and net assets	<u><u>293,189</u></u>	<u><u>197,009</u></u>

The accompanying notes are an integral part of the financial statements.

SHREVEPORT GREEN
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>Changes in Unrestricted Net Assets:</u>		
<u>Public support and revenue:</u>		
<u>Public support:</u>		
Grant-City of Shreveport	256,550	160,000
Grants-Neighborhood Program	60,073	59,035
Grants-Louisiana Serve Commission-Note 3	173,410	156,947
Memberships and contributions	117,042	92,117
Tree Legacy program	43,174	33,988
In-kind donations	60,843	119,275
Other community support-Note 4	<u>3,300</u>	<u>12,126</u>
Total public support	714,392	633,488
<u>Other revenue:</u>		
Interest income	4,911	4,121
Miscellaneous income	<u>3,506</u>	<u>6,001</u>
Total other revenue	<u>8,417</u>	<u>10,122</u>
Total revenue	722,809	643,610
<u>Expenses:</u>		
Management and general	283,501	235,877
Program services	<u>338,146</u>	<u>400,462</u>
Total expenses	<u>621,647</u>	<u>636,339</u>
<u>Increase in unrestricted net assets</u>	101,162	7,271
<u>Net assets-beginning</u>	<u>187,825</u>	<u>180,554</u>
<u>Net assets-ending</u>	<u>288,987</u>	<u>187,825</u>

The accompanying notes are an integral part of the financial statements.

SHREVEPORT GREEN

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>Cash flows from operating activities:</u>		
Increase in net assets	101,162	7,271
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	10,764	10,391
(Increase) in grants receivable	(19,353)	(16,841)
Decrease in accounts receivable-employees	-	505
(Increase) decrease in prepaid insurance	(230)	102
Increase in other current assets	(1,801)	-
Increase (decrease) in accounts payable	-	(6,253)
Increase in payroll taxes payable	<u>236</u>	<u>257</u>
Total adjustments	<u>(10,384)</u>	<u>(11,839)</u>
Net cash provided (used) by operating activities	90,778	(4,568)
<u>Cash flows from investing activities:</u>		
Purchase of equipment	(11,416)	(18,700)
Proceeds from lease obligation	-	11,052
Payments on lease obligation	<u>(5,218)</u>	<u>(2,840)</u>
Net cash (used) by investing activities	<u>(16,634)</u>	<u>(10,488)</u>
<u>Net increase (decrease) in cash and temporary investments</u>	74,144	(15,056)
<u>Cash and temporary investments at beginning of year</u>	<u>133,884</u>	<u>148,940</u>
<u>Cash and temporary investments at end of year</u>	<u>208,028</u>	<u>133,884</u>

The accompanying notes are an integral part of the financial statements.

SHREVEPORT GREEN

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	Management and General Services	1999 Program Services		Other Specific Programs- Note 5	Total Expenses
		ShrevCorps Program	Neighborhood Program		
Accounting and legal	4,200	1,000	1,800	-	7,000
Advertising	-	-	-	-	-
Automobile	4,392	8,477	1,564	-	14,433
Awards	433	-	65	-	498
Awards luncheon	3,792	-	-	-	3,792
City clean-up	-	-	-	1,427	1,427
Clean business program	-	-	1,515	584	2,099
Contract labor	-	-	-	-	-
Depreciation	10,764	-	-	-	10,764
Dues and subscriptions	690	-	-	-	690
Education-schools	494	-	-	-	494
Entertainment and meetings	1,837	-	101	-	1,938
Gifts/donations/contributions	731	-	-	-	731
Grants-specific programs	-	-	-	-	-
Income-sharing-telephone recycling	3,956	-	-	-	3,956
Insurance	7,685	14,217	1,617	-	23,519
Interest	-	-	-	-	-
Miscellaneous	8,773	-	1,876	-	10,649
Operational costs	126	51,689	-	-	51,815
Office supplies	4,997	-	1,045	-	6,042
Photography	757	-	466	-	1,223
Postage	2,924	708	1,000	-	4,632
Printing	2,753	-	1,383	-	4,136
Professional training	10,275	-	1,702	-	11,977
Public relations	29,985	-	2,611	-	32,596
Recycling	27,344	-	-	-	27,344
Rent-Note 6	11,785	-	1,265	-	13,050
Salary-director	47,500	-	-	-	47,500
Salaries-staff	70,246	170,730	30,168	-	271,144
Supplies	236	-	6,117	-	6,353
Support costs	1,870	9,069	-	-	10,939
Taxes-payroll	19,519	2,089	2,062	-	23,670
Telephone	5,437	-	-	-	5,437
Travel	-	-	-	-	-
Trees	-	-	-	21,799	21,799
Total expenses	<u>283,501</u>	<u>257,979</u>	<u>56,357</u>	<u>23,810</u>	<u>621,647</u>

The accompanying notes are an integral part of the financial statements.

Management and General Services	1998 Program Services			Total Expenses
	ShrevCorps Program	Neighborhood Program	Other Specific Programs- Note 5	
1,700	-	1,800	-	3,500
-	74	-	-	74
2,839	4,131	1,256	-	8,226
585	-	214	-	799
3,617	-	-	-	3,617
-	-	-	2,493	2,493
-	-	-	5,566	5,566
923	225	-	-	1,148
10,391	-	-	-	10,391
2,458	-	-	-	2,458
346	-	-	-	346
2,456	-	6	-	2,462
171	-	-	-	171
-	-	-	598	598
3,710	-	-	-	3,710
5,374	8,095	1,245	-	14,714
1,194	-	-	-	1,194
2,298	14	-	-	2,312
91	105,250	-	-	105,341
4,733	151	1,298	-	6,182
973	-	117	-	1,090
2,879	-	1,004	-	3,883
2,487	-	5,483	-	7,970
10,236	-	1,445	-	11,681
31,568	-	-	-	31,568
-	-	-	-	-
10,220	-	1,260	-	11,480
45,000	-	-	-	45,000
71,295	154,145	28,750	-	254,190
7,050	701	12,328	-	20,079
-	5,441	-	-	5,441
6,148	13,145	2,021	-	21,314
5,135	-	-	-	5,135
-	1,500	-	-	1,500
-	-	-	40,706	40,706
<u>235,877</u>	<u>292,872</u>	<u>58,227</u>	<u>49,363</u>	<u>636,339</u>

SHREVEPORT GREEN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

1. Nature of Business

Shreveport Green is a nonprofit organization whose purpose is the promotion of 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.

2. Summary of Significant Accounting Policies

(a) *Income taxes*

Shreveport Green qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and, therefore, has no provision for income taxes.

(b) *Depreciation*

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets.

(c) *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) *Donated materials*

Donated materials are recorded in the financial statements at their estimated fair values at the date of receipt. A number of volunteers have donated their time to assist in the operations and improvements of the organization. In accordance with requirements of Statement of Financial Accounting Standards No. 116, no amounts have been reflected in the financial statements for those services.

(e) *Financial statement presentation*

Shreveport Green adopted Statements of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made," and No. 117, "Financial Statements for Not-for-Profit Organizations," which establish standards of basic accounting and reporting for not-for-profit organizations.

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets-Net assets that are not subject to donor-imposed stipulations. Contributions whose restrictions are met in the same period as received are recorded as unrestricted.

2. Summary of Significant Accounting Policies (Continued)

Temporarily restricted net assets-Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization and/or the passage of time.

Permanently restricted net assets-Net assets subject to donor-imposed stipulations that they be maintained permanently by Shreveport Green. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

As of December 31, 1999 and 1998, there were no temporary or permanently restricted net assets.

(f) *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.

3. Grants Received

Shreveport Green received \$173,410 and \$156,947 in 1999 and 1998 from the Louisiana Serve Commission for the development of a youth and conservation corps program, called ShrevCorps. Other grants totaling \$116,343 and \$164,245 were also received to support the ShrevCorps program, including \$60,843 and \$116,245 in-kind donations for 1999 and 1998.

4. Other Community Support

Shreveport Green received contributions from the general public through several community-wide clean-up and recycling efforts in 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Telephone book recycling	3,300	3,901
Glad Bag-A-Thon	-	3,825
Clean Business Program	-	4,400
	<u>3,300</u>	<u>12,126</u>

5. Other Specific Programs

Shreveport Green conducted specific city beautification, litter control and tree planting projects during the years ended December 31, 1999 and 1998. Expenses for these programs are as follows:

	<u>1999</u>	<u>1998</u>
Clean business program	584	5,566
City Clean-Up project	1,427	2,493
Trees purchased or donated	21,799	40,706
Telephone recycling	-	598
	<u>23,810</u>	<u>49,363</u>

6. Leases

During the year 1997, Shreveport Green signed a lease to rent office space under a three-year lease. Rental expense for the years 1999 and 1998 was \$9,000 and \$8,500. Future minimum rental payments are shown as follows:

2000	<u>8,400</u>
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During the year 1998, Shreveport Green purchased office equipment under a lease-purchase agreement. Future minimum lease payments are as follows:

2000	<u>2,994</u>
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OTHER REPORTS

**HEARD
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April 14, 2000

The Board of Directors
Shreveport Green
Shreveport, Louisiana

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

We have audited the financial statements of Shreveport Green as of and for the year ended December 31, 1999, and have issued our report thereon dated April 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered internal control over financial reporting of Shreveport Green in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

HMV

Heard, McElroy & Vestal, LLP

SHREVEPORT GREEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 1999

We have audited the financial statements of Shreveport Green as of and for the year ended December 31, 1999, and have issued our report thereon dated April 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control - No material weakness or reportable condition was noted; no management letter was issued.

Compliance - No material noncompliance was noted.

b. Federal Awards - Not applicable.

Section II - Financial Statement Findings

No matters were reported.

SHREVEPORT GREEN
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 1999

No prior year findings were reported.