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SHREVEPORT GREEN
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

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Release Date JUN 02 1999

SHREVEPORT GREEN
SHREVEPORT, LOUISIANA

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AUDITED FINANCIAL STATEMENTS



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March 25, 1999

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, 1998 and 1997, 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, 1998 and 1997, and its activities, cash flows, and statements of functional expenses 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 March 25, 1999, on our consideration of Shreveport Green's internal control structure and on its compliance with laws and regulations.

Heard McElroy & Vestal, LLP

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SHREVEPORT GREEN
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1998 AND 1997

<u>A S S E T S</u>	<u>1998</u>	<u>1997</u>
<u>Current assets:</u>		
Cash and temporary investments	133,884	148,940
Grants receivable	28,275	11,434
Accounts receivable-employees	-	505
Prepaid insurance	<u>2,049</u>	<u>2,151</u>
Total current assets	164,208	163,030
<u>Fixed assets:</u>		
Office furniture and equipment	57,974	41,105
Equipment-Neighborhood Program	8,291	8,291
Less-accumulated depreciation	<u>(33,464)</u>	<u>(24,904)</u>
Book value of fixed assets	<u>32,801</u>	<u>24,492</u>
 Total assets	 <u>197,009</u>	 <u>187,522</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Accounts payable	-	6,253
Payroll taxes payable	972	715
Current portion of lease obligation payable-Note 6	<u>3,690</u>	<u>-</u>
Total current liabilities	4,662	6,968
 <u>Long-term portion of lease obligation payable-Note 6</u>	 4,522	 -
 <u>Net assets-unrestricted</u>	 <u>187,825</u>	 <u>180,554</u>
 Total liabilities and net assets	 <u>197,009</u>	 <u>187,522</u>

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

SHREVEPORT GREEN
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>Changes in Unrestricted Net Assets:</u>		
<u>Revenue:</u>		
<u>Public support:</u>		
Grant-City of Shreveport	160,000	120,000
Grants-Neighborhood Program	59,035	57,528
Grants-Louisiana Serve Commission-Note 3	156,947	117,217
Memberships and contributions	92,117	93,019
Tree Legacy program	33,988	65,676
In-kind donations	119,275	84,833
Other community support-Note 4	<u>12,126</u>	<u>14,260</u>
Total public support	633,488	552,533
<u>Other revenue:</u>		
Interest income	4,121	2,612
Miscellaneous income	<u>6,001</u>	<u>5,264</u>
Total other revenue	<u>10,122</u>	<u>7,876</u>
Total revenue	643,610	560,409
<u>Expenses:</u>		
Management and general	235,877	199,868
Program services	<u>400,462</u>	<u>307,929</u>
Total expenses	<u>636,339</u>	<u>507,797</u>
<u>Increase in unrestricted net assets</u>	7,271	52,612
<u>Net assets-beginning</u>	180,554	118,085
<u>Cumulative effect of a change in accounting principle-Note 7</u>	<u>-</u>	<u>9,857</u>
<u>Net assets-ending</u>	<u>187,825</u>	<u>180,554</u>

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

SHREVEPORT GREEN

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>Cash flows from operating activities:</u>		
Increase in net assets	7,271	52,612
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	10,391	7,088
Cumulative effect of a change in accounting principle	-	9,857
(Increase) in grants receivable	(16,841)	(11,434)
Decrease in accounts receivable-employees	505	71
(Increase) decrease in prepaid insurance	102	(2,151)
Increase (decrease) in accounts payable	(6,253)	6,253
Increase in payroll taxes payable	<u>257</u>	<u>66</u>
Total adjustments	<u>(11,839)</u>	<u>9,750</u>
Net cash provided (used) by operating activities	(4,568)	62,362
<u>Cash flows from investing activities:</u>		
Purchase of equipment	(18,700)	(5,715)
Proceeds from lease obligation	11,052	-
Payments on lease obligation	<u>(2,840)</u>	<u>-</u>
Net cash (used) by investing activities	<u>(10,488)</u>	<u>(5,715)</u>
<u>Net increase (decrease) in cash and temporary investments</u>	(15,056)	56,647
<u>Cash and temporary investments at beginning of year</u>	<u>148,940</u>	<u>92,293</u>
<u>Cash and temporary investments at end of year</u>	<u>133,884</u>	<u>148,940</u>

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

SHREVEPORT GREEN

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	Management and General Services	1998 Program Services			Total Expenses
		ShrevCorps Program	Neighborhood Program	Other Specific Programs- Note 5	
Accounting and legal	1,700	-	1,800	-	3,500
Advertising	-	74	-	-	74
Automobile	2,839	4,131	1,256	-	8,226
Awards	585	-	214	-	799
Awards luncheon	3,617	-	-	-	3,617
City clean-up	-	-	-	2,493	2,493
Clean business program	-	-	-	5,566	5,566
Contract labor	923	225	-	-	1,148
Depreciation	10,391	-	-	-	10,391
Dues and subscriptions	2,458	-	-	-	2,458
Education-schools	346	-	-	-	346
Entertainment and meetings	2,456	-	6	-	2,462
Gifts/donations/contributions	171	-	-	-	171
Grants-specific programs	-	-	-	598	598
Income-sharing-telephone recycling	3,710	-	-	-	3,710
Insurance	5,374	8,095	1,245	-	14,714
Interest	1,194	-	-	-	1,194
Miscellaneous	2,298	14	-	-	2,312
Operational costs	91	105,250	-	-	105,341
Office supplies	4,733	151	1,298	-	6,182
Photography	973	-	117	-	1,090
Postage	2,879	-	1,004	-	3,883
Printing	2,487	-	5,483	-	7,970
Professional training	10,236	-	1,445	-	11,681
Public relations	31,568	-	-	-	31,568
Recycling	-	-	-	-	-
Rent-Note 6	10,220	-	1,260	-	11,480
Salary-director	45,000	-	-	-	45,000
Salaries-staff	71,295	154,145	28,750	-	254,190
Supplies	7,050	701	12,328	-	20,079
Support costs	-	5,441	-	-	5,441
Taxes-payroll	6,148	13,145	2,021	-	21,314
Telephone	5,135	-	-	-	5,135
Travel	-	1,500	-	-	1,500
Trees	-	-	-	40,706	40,706
Youth Corp	-	-	-	-	-
Total expenses	<u>235,877</u>	<u>292,872</u>	<u>58,227</u>	<u>49,363</u>	<u>636,339</u>

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

Management and General Services	1997 Program Services			Total Expenses
	ShrevCorps Program	Neighborhood Program	Other Specific Programs- Note 5	
1,800	1,800	1,800	-	5,400
1,129	-	-	-	1,129
2,913	19,198	1,360	-	23,471
533	-	107	-	640
4,075	-	-	-	4,075
15,000	-	-	664	15,664
1,412	-	-	2,037	3,449
-	-	-	-	-
7,088	-	-	-	7,088
1,815	-	-	-	1,815
169	-	-	-	169
2,150	-	15	-	2,165
230	100	-	-	330
-	-	-	1,855	1,855
-	-	-	4,922	4,922
2,569	14,339	1,360	-	18,268
-	-	-	-	-
10,892	222	68	-	11,182
697	48,379	22	-	49,098
3,004	70	1,652	-	4,726
513	-	204	-	717
628	22	1,481	-	2,131
-	-	995	-	995
7,861	-	1,589	-	9,450
-	-	-	-	-
17,215	-	-	-	17,215
8,310	500	600	-	9,410
42,000	-	-	-	42,000
54,790	79,737	25,000	-	159,527
261	-	14,490	-	14,751
818	3,946	-	-	4,764
3,696	8,584	1,913	-	14,193
4,700	-	-	-	4,700
-	-	-	-	-
3,600	-	-	59,201	62,801
-	9,697	-	-	9,697
<u>199,868</u>	<u>186,594</u>	<u>52,656</u>	<u>68,679</u>	<u>507,797</u>

SHREVEPORT GREEN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

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. Some unrestricted funds are designated by the board for specific purposes. 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, 1998 and 1997, 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 \$156,947 and \$117,217 in 1998 and 1997 from the Louisiana Serve Commission for the development of a youth and conservation corps program, called ShrevCorps. Other grants totaling \$164,245 and \$128,833 were also received to support the ShrevCorps program, including \$116,245 and \$84,833 in-kind donations for 1998 and 1997.

4. Other Community Support

Shreveport Green received contributions from the general public through several community-wide clean-up and recycling efforts in 1998 and 1997:

	<u>1998</u>	<u>1997</u>
Telephone book recycling	3,901	7,860
Glad Bag-A-Thon	3,825	2,300
Clean Business Program	<u>4,400</u>	<u>4,100</u>
	<u>12,126</u>	<u>14,260</u>

5. Other Specific Programs

Shreveport Green conducted specific city beautification, litter control and tree planting projects during the years ended December 31, 1998 and 1997. Expenses for these programs are as follows:

	<u>1998</u>	<u>1997</u>
Clean business program	5,566	-
Tree Growing Out Station	-	1,855
City Clean-Up project	2,493	2,701
Trees purchased or donated	40,706	59,201
Telephone recycling	<u>598</u>	<u>4,922</u>
	<u>49,363</u>	<u>68,679</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 1998 and 1997 were \$8,500 and \$9,410. Future minimum rental payments are shown as follows:

1999	8,400
2000	<u>8,400</u>
	<u>16,800</u>

During the year 1998, Shreveport Green purchased office equipment under a lease-purchase agreement. Future minimum lease payments are as follows:

1999	3,690
2000	3,690
2001	<u>832</u>
	<u>8,212</u>

7. Change in Accounting Principle

Shreveport Green changed its method of accounting from the modified cash basis of accounting to the accrual basis. The cumulative effect of this change to beginning retained earnings for the year 1997 was \$9,857.

OTHER REPORTS

March 25, 1999

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 years ended December 31, 1998 and 1997, and have issued our report thereon dated March 25, 1999. We conducted our audits 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 audits 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 for the information of management, the board of directors, and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Vestal, LLP

SHREVEPORT GREEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEARS ENDED DECEMBER 31, 1998 AND 1997

We have audited the financial statements of Shreveport Green as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated March 25, 1999. We conducted our audits 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 audits of the financial statements as of December 31, 1998 and 1997 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 - No major program.

Section II - Financial Statement Findings

No matters were reported.

SHREVEPORT GREEN

SCHEDULE OF PRIOR YEAR FINDINGS

YEARS ENDED DECEMBER 31, 1998 AND 1997

No prior year findings were reported.