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THE GREATER SHREVEPORT HUMAN RELATIONS COMMISSION

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1998

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

Release Date **AUG 17 1999**

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POST, FORD & GUSTAVSON

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Independent Auditor's Report

The Board of Commissioners
The Greater Shreveport Human Relations Commission
Shreveport, Louisiana

We have audited the accompanying statement of financial position of The Greater Shreveport Human Relations Commission, a Louisiana non-profit corporation, as of December 31, 1998 and the related statement of activities and changes in net assets, statement of functional expenses, and statement of cash flows for the year then ended. These financial statements are the responsibility of The Greater Shreveport Human Relations Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides 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 The Greater Shreveport Human Relations Commission as of December 31, 1998 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that The Commission will continue as a going concern. As discussed in Note 3 to the financial statements, The Commission is economically dependent on the funding received from the City of Shreveport. Should The Commission fail to receive annual funding from the City of Shreveport, there is substantial doubt regarding The Commission's ability to continue as a going concern. Management is currently working to secure funding in the form of an annual grant from the City of Shreveport. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Post Ford & Gustavson

July 23, 1999

THE GREATER SHREVEPORT HUMAN RELATIONS COMMISSION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1998

ASSETS

	<u>1998</u>
CURRENT ASSETS	
Cash in bank and on hand	\$ 29,946
Prepaid expenses	<u>1,634</u>
Total Current Assets	31,580
FURNITURE AND EQUIPMENT	
Office furniture & equipment	6,314
Computer equipment	<u>5,198</u>
	11,512
Less accumulated depreciation	<u>8,981</u>
Net Furniture and Equipment	<u>2,531</u>
TOTAL ASSETS	<u><u>34,111</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	0
Accrued expenses - 403(B)	550
Payroll taxes payable	<u>826</u>
Total Current Liabilities	1,376
Unrestricted Net Assets	<u>32,735</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 34,111</u></u>

THE GREATER SHREVEPORT HUMAN RELATIONS COMMISSION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>1998</u>
REVENUES	
City of Shreveport	
Contract	\$ 125,000
Grants	4,142
Interest income	1,642
Other revenue	<u>9,413</u>
TOTAL REVENUES	140,197
EXPENSES	
Salary, wages and fringe benefits	68,925
Seminar and conference costs	19,183
Printing and materials cost	16,134
Consultants and sub-contracts	4,330
Donations & sponsorships	480
Advertising and awards	2,698
Temporary labor	17,100
Insurance expense	1,930
Miscellaneous	4,189
Dues and subscriptions	309
Office supplies and expense	4,186
Postage	3,688
Accounting	5,025
Travel	2,256
Rent	10,842
Telephone	658
Repairs and maintenance	1,136
Committees	3,552
Equipment lease	3,391
Depreciation	<u>1,585</u>
TOTAL EXPENSES	171,597
CHANGES IN NET ASSETS	(31,400)
NET ASSETS - BEGINNING OF YEAR	<u>64,135</u>
NET ASSETS - END OF YEAR	<u><u>\$ 32,735</u></u>

THE GREATER SHREVEPORT HUMAN RELATIONS COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contract	\$ 125,000
Cash received from fees, sponsorships, and grants	13,555
Interest income	1,642
Cash paid to suppliers and employees	<u>(175,964)</u>
Net cash used by operating activities	(35,767)
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	0
Net cash used in investing activities	<u>0</u>
Net increase (decrease) in cash	(35,767)
Cash at beginning of year	<u>65,713</u>
Cash at end of year	<u>\$ 29,946</u>
RECONCILIATION OF NET REVENUE TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Net revenue over (short) expenses	\$ (31,400)
Adjustments to reconcile net revenue to net cash provided by operating activities:	
Depreciation	1,585
Disposal of assets	256
(Increase) Decrease in employee receivables	0
Increase (Decrease) in current liabilities	(6,208)
Increase (Decrease) in Accruals	0
Increase (Decrease) in payroll taxes payable	<u>0</u>
Total adjustments	<u>(4,367)</u>
Net cash provided by operating activities	<u>\$ 35,767</u>

THE GREATER SHREVEPORT HUMAN RELATIONS COMMISSION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998

	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND- RAISING	TOTAL
Salary, wages and fringe benefits	\$ 48,248	\$ 13,785	\$ 6,892	\$ 68,925
Seminar and conference costs	19,183	0	0	19,183
Printing and materials cost	16,134	0	0	16,134
Consultants and sub-contracts	4,330	0	0	4,330
Donations and sponsorships	480	0	0	480
Advertising and awards	2,698	0	0	2,698
Temporary labor	0	17,100	0	17,100
Insurance expense	0	1,930	0	1,930
Miscellaneous	4,189	0	0	4,189
Dues and subscriptions	309	0	0	309
Office supplies and expense	0	4,186	0	4,186
Postage	2,950	738	0	3,688
Accounting	0	5,025	0	5,025
Travel	2,256	0	0	2,256
Rent	0	10,842	0	10,842
Telephone	460	131	67	658
Repairs	0	1,136	0	1,136
Committees	0	3,552	0	3,552
Equipment lease	<u>0</u>	<u>3,391</u>	<u>0</u>	<u>3,391</u>
Total: before depreciation	101,237	61,816	6,959	170,012
Depreciation	<u>0</u>	<u>1,585</u>	<u>0</u>	<u>1,585</u>
TOTAL EXPENSES	<u>\$ 101,237</u>	<u>\$ 63,401</u>	<u>\$ 6,959</u>	<u>\$ 171,597</u>

THE GREATER SHREVEPORT HUMAN RELATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Greater Shreveport Human Relations Commission (the "Commission") is a non-profit corporation incorporated in the State of Louisiana on August 17, 1993. The Commission is governed by a Board of Commissioners appointed by the Mayor of Shreveport and totaling fifteen individuals. The Commission's purposes are:

- To advise, consult with and assist the City of Shreveport Officials and Departments on all matters involving prejudice or discrimination.
- To be available to advise, consult with, and assist the Caddo Parish Commission, the Caddo Parish School Board, and other governing entities with jurisdiction in the Greater Shreveport Metropolitan area on all matters of prejudice and discrimination.
- To do everything practicable which, in the judgment of the Board of Commissioners, should be done to eliminate prejudice and the practice of discrimination against individuals or groups because of race, color, creed, national origin, ancestry, disability, age, sexual orientation, or gender in metropolitan Shreveport, and to address and mitigate frictions in human relations in the interests of the public welfare of metropolitan Shreveport.
- To develop skills in cross-cultural communication and understanding in metropolitan Shreveport.
- To become a human relations resource to the community at large and its institutions, and identify other resources in metropolitan Shreveport.
- To enlist the cooperation of the various racial, religious and ethnic groups, community and labor organizations, business and industrial groups, fraternal and benevolent associations, media and other groups in metropolitan Shreveport in the programs and purposes of The Commission.
- To plan, carry out, and assist in programs of neighborhood organizations to reduce group prejudice, tensions, disorder and discrimination in said neighborhoods and assist with citizen efforts to establish local neighborhood organizations.
- To provide a public forum for concerns by receiving and investigating complaints, and to direct those complaints to appropriate authorities.
- To cooperate with other agencies in effectuating the amelioration of group prejudice, tensions, disorder, and discrimination.

THE GREATER SHREVEPORT HUMAN RELATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

Summary of Significant Accounting Policies

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 5 to 10 years.

Functional Expenses

Functional expenses have been allocated between Program Services and Management & General Services and Fundraising based on an analysis of personnel time and space utilized for the related activities.

Income Tax

The Commission is exempt from Federal income taxes under Section 501(C)(3) of the Internal Revenue Code. It is also recognized as tax-exempt by the State of Louisiana.

NOTE 2 - SEMINAR AND CONFERENCE COSTS

The Commission incurred costs associated with its participation and sponsorship of various events and forums in keeping with its purpose. These expenses included Speaker fees and related travel costs, facilities use costs, catering costs, and advertising.

NOTE 3 - ECONOMIC DEPENDENCY

The Commission is funded by a one year contract with the City of Shreveport. The Commission received a renewal contract for 1999. However, no assurance was given beyond the 1999 contract. A significant detrimental impact on The Commission would occur should the City of Shreveport be unable or unwilling to renew The Commission's contract.

NOTE 4 - COMMITMENTS

The Commission entered into a lease agreement for office facilities in the amount of \$892, due monthly for a period of 12 months, expiring on February 29, 2000.

The Commission entered into a non cancelable rental agreement for the use of a copier. The terms of the rental agreement are \$198 due monthly, for a period of 60 months, beginning December 1996.

REPORTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

POST, FORD & GUSTAVSON

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

The Greater Shreveport Human Relations Commission
Shreveport, Louisiana

We have audited the financial statements of The Greater Shreveport Human Relations Commission as of and for the year ended December 31, 1998, and have issued our report thereon dated July 23, 1999. 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 Greater Shreveport Human Relations Commission's financial statements 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned costs.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Greater Shreveport Human Relations Commission's internal control over financial reporting 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.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 The Greater Shreveport Human Relations Commission's management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Post Ford - Gustavson
July 23, 1999

GREATER SHREVEPORT HUMAN RELATIONS COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1998

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Reportable condition(s) identified
not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial
statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Reportable condition(s) identified not
considered to be material weaknesses? Yes No

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required to be reported
in accordance with Circular A-133, Section .510(a)? Yes No

Identification of major programs:

None

Section II - Financial Statement Findings

Reportable Condition

98-1 Late Audit Report

Condition: The organization did not file their December 31, 1998 audit report with the State of Louisiana within the required time frame. The audit report was late due to management's untimely engagement of an independent CPA firm to perform the required annual audit function.

Criteria: In accordance with State law, the audit should be filed with the State of Louisiana within six (6) months from the close of the fiscal year.

Effect: The organization could possibly be subjected to remedial action.

Recommendation: The organization should ensure that the audit is filed in a timely manner.

Section III - Federal Award Findings and Questioned Costs

Reportable Condition - No matters were reported.

AUDITOR REF NUMBER

98-1	In the future all audit reports will be filed with the State within six (6) months.
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Name of contact person: Joe Ann Akpan

July 23, 1999