

SHREVEPORT GREEN
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-8-04

SHREVEPORT GREEN

SHREVEPORT, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

**HEARD
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March 30, 2004

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, 2003 and 2002, and the related statements of activities, cash flows, and 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 auditing standards generally accepted in the United States of America 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, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2004, on our 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Heard, McElroy & Vestal, LLP

SHREVEPORT GREEN
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2003 AND 2002

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
<u>Current assets:</u>		
Cash and temporary investments-Notes 10 and 12	238,784	178,349
Grants receivable	-	27,902
Contributions receivable-Note 11	-	8,000
Prepaid insurance	<u>8,149</u>	<u>10,860</u>
Total current assets	246,933	225,111
<u>Fixed assets:</u>		
Building	202,506	202,506
Office furniture and equipment	92,235	90,279
Equipment-Neighborhood Program	10,418	10,418
Less-accumulated depreciation	<u>(110,514)</u>	<u>(93,982)</u>
Book value of fixed assets	<u>194,645</u>	<u>209,221</u>
<u>Total assets</u>	<u>441,578</u>	<u>434,332</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Payroll taxes payable	1,460	2,099
Notes payable-Note 12	<u>73,048</u>	<u>103,300</u>
Total current liabilities	<u>74,508</u>	<u>105,399</u>
<u>Net assets-unrestricted</u>	<u>367,070</u>	<u>328,933</u>
<u>Total liabilities and net assets</u>	<u>441,578</u>	<u>434,332</u>

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

SHREVEPORT GREEN

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>Changes in Unrestricted Net Assets:</u>		
<u>Public support and other revenue:</u>		
<u>Public support:</u>		
City of Shreveport-Note 3	252,181	244,000
Contract for Services-Note 4	67,000	93,448
Grants-Neighborhood Program-Notes 3 and 5	46,819	67,400
Grants-Louisiana Serve Commission-Note 5	126,781	135,054
Other public support	78,862	41,334
Memberships and contributions	41,094	55,077
Tree Legacy program	1,853	2,693
In-kind donations-Note 5	74,690	53,634
Other community support-Note 6	-	<u>6,300</u>
Total public support	<u>689,280</u>	<u>698,940</u>
<u>Other revenue:</u>		
Interest income	1,356	1,828
Miscellaneous income	23,456	33,361
Tree sales	<u>4,997</u>	<u>11,565</u>
Total other revenue	<u>29,809</u>	<u>46,754</u>
Total public support and other revenue	719,089	745,694
<u>Expenses:</u>		
Management and general	214,691	269,505
Program services	<u>466,261</u>	<u>489,324</u>
Total expenses	<u>680,952</u>	<u>758,829</u>
<u>Change in net assets</u>	38,137	(13,135)
<u>Net assets-beginning</u>	<u>328,933</u>	<u>342,068</u>
<u>Net assets-ending</u>	<u>367,070</u>	<u>328,933</u>

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

SHREVEPORT GREEN

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	38,137	(13,135)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,532	18,523
Bad debt expense	-	3,850
<i>(Increase) decrease in:</i>		
Grants receivable	27,902	16,425
Contributions receivable	8,000	22,925
Prepaid insurance	2,711	(2,097)
<i>Increase (decrease) in:</i>		
Payroll taxes	<u>(639)</u>	<u>120</u>
Net cash provided by operating activities	92,643	46,611
<u>Cash flows from investing activities:</u>		
Purchase of property and equipment	<u>(1,956)</u>	<u>(4,468)</u>
Net cash (used) by investing activities	(1,956)	(4,468)
<u>Cash flows from financing activities:</u>		
Payments on bank loan	(30,252)	(51,199)
Payments on lease obligation	<u>-</u>	<u>(1,549)</u>
Net cash (used) by financing activities	<u>(30,252)</u>	<u>(52,748)</u>
<u>Net increase (decrease) in cash and temporary investments</u>	60,435	(10,605)
<u>Cash and temporary investments at beginning of year</u>	<u>178,349</u>	<u>188,954</u>
<u>Cash and temporary investments at end of year</u>	<u>238,784</u>	<u>178,349</u>
<u>Interest paid</u>	<u>4,492</u>	<u>9,210</u>

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

SHREVEPORT GREEN

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Management and General Services	2003 Program Services		Other Specific Programs- Note 7	Total Expenses
		ShrevCorps Program	Neighborhood Program		
Accounting and legal	12,719	2,000	1,800	-	16,519
Automobile	-	3,724	-	-	3,724
Awards	670	700	224	1,000	2,594
Awards luncheon	2,562	-	-	2,000	4,562
Bad debt expense	-	-	-	-	-
Building and equipment	2,194	-	-	-	2,194
CARE	-	4,460	-	-	4,460
City clean-up	-	-	-	2,345	2,345
Clean business program	-	-	-	2,085	2,085
Contract labor	-	-	-	-	-
Depreciation	16,532	-	-	-	16,532
Dues and subscriptions	1,538	-	-	-	1,538
Education-schools	-	30	52	6,812	6,894
Employee benefits-Note 8	1,801	2,302	249	-	4,352
Entertainment and meetings	1,290	357	-	-	1,647
Fundraising	3,579	-	-	-	3,579
Gifts/donations/contributions	1,182	-	-	-	1,182
Grants-specific programs	6,197	5,573	-	44,964	56,734
Insurance	21,188	7,257	1,418	-	29,863
Interest	4,492	-	-	-	4,492
Miscellaneous	17,598	9,238	-	2,193	29,029
Neighborhood improvement	-	50,755	3,156	-	53,911
Office expense	4,620	304	463	-	5,387
Photography	6	-	339	-	345
Postage	1,513	-	900	971	3,384
Printing	1,043	43	448	2,078	3,612
Professional training	15,139	4,561	1,131	720	21,551
Promotional materials	-	-	-	2,084	2,084
Public relations	1,574	-	-	-	1,574
Recycling	3,300	-	-	711	4,011
Rent	-	15,489	-	-	15,489
Repairs/maintenance/security	2,129	-	-	-	2,129
Salaries	75,719	178,765	34,125	22,796	311,405
Supplies	82	1,461	-	-	1,543
Support costs	-	6,039	-	-	6,039
Taxes	3,078	15,493	2,813	2,459	23,843
Telephone	4,184	555	-	-	4,739
Travel	2,242	5,664	925	2,058	10,889
Trees	-	-	-	8,172	8,172
Utilities	6,520	-	-	-	6,520
Total expenses	214,691	314,770	48,043	103,448	680,952

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

Management and General Services	2002 Program Services			Total Expenses
	ShrevCorps Program	Neighborhood Program	Other Specific Programs- Note 7	
8,109	1,000	1,800	1,000	11,909
3,034	2,984	-	3,269	9,287
647	893	429	-	1,969
2,710	-	-	2,000	4,710
3,850	-	-	-	3,850
1,795	-	228	-	2,023
-	5,224	-	-	5,224
-	-	140	2,937	3,077
-	-	-	18	18
788	-	-	-	788
18,523	-	-	-	18,523
905	-	15	-	920
406	-	-	3,665	4,071
2,156	2,264	997	-	5,417
1,487	177	-	-	1,664
2,105	-	-	-	2,105
395	-	-	-	395
-	2,445	3,000	65,140	70,585
15,011	10,874	1,292	51	27,228
9,210	-	-	-	9,210
16,245	2,851	1,082	1,931	22,109
-	43,291	11,015	-	54,306
2,745	-	871	21	3,637
832	-	277	-	1,109
1,859	-	1,500	25	3,384
2,000	-	3,658	5,236	10,894
3,763	5,426	838	9,610	19,637
-	-	2,378	12,574	14,952
1,761	-	-	510	2,271
3,300	-	-	278	3,578
-	8,728	-	-	8,728
2,009	-	-	-	2,009
119,920	198,818	33,643	-	352,381
1,186	1,508	608	60	3,362
-	4,010	-	-	4,010
27,433	-	-	-	27,433
4,315	697	-	-	5,012
2,863	4,365	1,013	1,821	10,062
-	-	-	18,839	18,839
8,143	-	-	-	8,143
<u>269,505</u>	<u>295,555</u>	<u>64,784</u>	<u>128,985</u>	<u>758,829</u>

SHREVEPORT GREEN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

1. Nature of Business

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.

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 accounting principles generally accepted in the United States of America 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, 2003 and 2002, there were no temporarily 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.

(g) *Promises to give*

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

3. Cooperative Endeavor Agreement

Shreveport Green received \$279,000 and \$263,000 in 2003 and 2002, respectively, from the City of Shreveport for the purpose of improving the appearance of the City through education and programs to facilitate clean-up, beautification and recycling efforts. Of the amount received, \$26,819 and \$19,000 was designated for Neighborhood Programs in 2003 and 2002, respectively.

4. Contracts for Services

Shreveport Green received \$27,000 and \$26,962 in 2003 and 2002, respectively, from the Caddo Parish Commission to perform community related projects to benefit the parish of Caddo. The City of Shreveport paid \$40,000 and \$41,150 in 2003 and 2002, respectively, for clean-up and maintenance of certain highway intersections. Also, a private company paid Shreveport Green \$25,336 in 2002 for improvements to the Red River District.

5. Grants Received

Shreveport Green received \$126,781 and \$135,054 in 2003 and 2002, respectively, from the Louisiana Serve Commission for the continuation of a youth and conservation corps program called ShrevCorps. In 2003 and 2002, Shreveport Green received \$20,000 and \$48,400, respectively, in Community Development Block Grant (CDBG) funds through the City of Shreveport. The CDBG grant is for a self improvement initiative to provide low-to-moderate income residents in five targeted neighborhoods with materials, tools, and technical assistance to perform home improvements. Shreveport Green received in-kind contributions of \$74,690 and \$53,634 in 2003 and 2002, respectively.

6. Other Community Support

Shreveport Green received contributions from the general public through community wide clean-up, recycling and beautification efforts in 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Telephone book recycling	<u>-</u>	<u>6,300</u>

7. Other Specific Programs

Shreveport Green conducted specific city beautification, litter control and tree planting projects during the years ended December 31, 2003 and 2002. Expenses for these programs are as follows:

	<u>2003</u>	<u>2002</u>
City clean-up project	2,345	2,937
City green tree inventory project	6,635	-
Clean business program	2,085	18
General Motors project	21,856	-
Red River District project	-	18,152
Scholarships	6,000	-
School projects	6,017	-
Tree CD	683	46,988
Trees purchased or donated	8,172	18,839
Other	<u>49,655</u>	<u>42,051</u>
	<u>103,448</u>	<u>128,985</u>

8. Employees' Retirement Plan

Shreveport Green established a simple IRA plan as of March 2000 for its employees. An employee is eligible to participate after one year of employment, earns a minimum salary of \$5,000 and is at least 21 years old. Participation is voluntary and the employee may contribute up to \$6,000 per year. Shreveport Green matches the employee's contribution up to 3% of his or her annual compensation or \$6,000, whichever is less. The contribution charged to expense for the years ended December 31, 2003 and 2002 was \$4,352 and \$5,417, respectively.

9. Leases

During 1998, Shreveport Green purchased office equipment under a lease-purchase agreement. The lease obligation ended in 2002.

10. Concentration of Risk

At December 31, 2003 and 2002, Shreveport Green had cash deposits in excess of federally insured limits of approximately \$150,564 and \$86,315, respectively.

11. Unconditional Promises to Give

Shreveport Green received unconditional promises to give of \$-0- and \$8,000 as of December 31, 2003 and 2002, respectively.

12. Bank Note Payable

At December 31, 2002, Shreveport Green had a bank note payable totaling \$103,300 secured by a mortgage on the office building. The note was payable on demand, or if no demand was made then

12. Bank Note Payable (Continued)

monthly payments were due of \$1,506 through May 25, 2016. The interest rate varied 2.24 percentage points over the United States Dollar Swap Rate with a rate of 7.76% as of December 31, 2002. Effective April 2, 2003, the note was refinanced at the Wall Street Journal Prime Rate (4.0% at December 31, 2003). The new note is also payable on demand and, if no demand is made, monthly payments are due of \$1,200 plus interest through December 25, 2009. The note is secured by cash deposits.

OTHER REPORTS

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March 30, 2004

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, 2003, and have issued our report thereon dated March 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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.

Heard, McElroy + Vestal, LLP

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SHREVEPORT GREEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2003

We have audited the financial statements of Shreveport Green as of and for the year ended December 31, 2003, and have issued our report thereon dated March 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2003 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
FOR THE YEAR ENDED DECEMBER 31, 2003

No prior year findings were reported.