

Shreveport Green



Financial Statements
Years Ended December 31, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020, 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. 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 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, 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.

James K. McClelland, CPA LLC

James K. McClelland, CPA LLC

Shreveport, Louisiana
June 29, 2022

Shreveport Green

Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$279,397	\$237,685
Accounts receivable (Note 5)	47,978	28,007
Grants receivable (Note 7)	35,668	49,910
Prepaid insurance	7,467	5,449
Total current assets	370,510	321,051
Lease right of use asset (Note 8)	8,917	-
Property and equipment, net (Note 6)	74,680	94,200
Total Assets	\$454,107	\$415,251
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$14,166	\$ 8,546
Lease liability, current (Note 8)	2,133	-
Refundable grants	-	270
Total current liabilities	16,299	8,816
Lease liability, long-term (Note 8)	6,784	-
Total Liabilities	23,083	8,816
Net assets:		
With donor restrictions (Notes 12)	133,731	65,022
Without donor restrictions	297,293	341,413
Total net assets	431,024	406,435
Total Liabilities and Net Assets	\$454,107	\$415,251

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

Shreveport Green

Statements of Activities

<i>Years Ended December 31,</i>	2021	2020
Changes in net assets without donor restrictions		
Revenue and Public Support:		
Other public support, including net assets released from restrictions of \$20,227 in 2021 and \$27,853 in 2020 (Note 3)	\$237,605	\$158,475
Governmental grants (Note 1)	215,518	219,519
Querbes Park Foundation, including net assets released from restriction of \$117,371 in 2021 and \$172,432 in 2020	117,371	299,261
Grants – Serve Louisiana (Note 2)	79,660	97,868
Memberships and contributions	58,064	130,350
Contract for services (Note 4)	52,970	39,786
In-kind donations (Note 9)	2,135	1,950
Tree legacy program	1,650	630
Fundraising income	-	37,350
Total revenue and public support without donor restrictions	764,973	985,189
Other Revenue:		
Miscellaneous income	2,499	2,188
Tree sales	7,755	-
Total other revenue	10,254	2,188
Total public support and other revenue without restrictions	775,227	987,377
Expenses:		
Other specific programs	313,981	332,529
Management and general program	372,177	292,491
ShreveCorps program	133,189	106,458
Total expenses	819,347	731,478
Increase (decrease) in net assets without donor restrictions	(44,120)	255,899
Changes in net assets with donor restrictions:		
Grants and contributions with donor restrictions	206,307	137,882
Net assets released from restrictions	(137,598)	(200,285)
Increase (decrease) in net assets with donor restrictions	68,709	(62,403)
Increase in net assets	24,589	193,496
Net assets, beginning of year	406,435	212,939
Net assets, end of year	\$431,024	\$406,435

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

Year ended December 31,

2021

	Program Activities			Supporting Activities	
	ShreveCorps Program	Other Specific Programs	Total Program Activities	Management and General Program	Total Expenses
Expenses:					
Accounting and legal	\$ 3,600	\$ -	\$ 3,600	\$ 20,150	\$ 23,750
Automobile	-	-	-	2,657	2,657
Awards luncheon	-	-	-	-	-
Equipment rental	-	-	-	2,488	2,488
Contract labor	-	-	-	-	-
Depreciation	-	-	-	19,520	19,520
Dues and subscriptions	-	-	-	1,134	1,134
Entertainment and meetings	296	-	296	948	1,244
Fundraising	-	-	-	188	188
Grants-specific programs	563	145,978	146,541	-	146,541
Household hazardous waste	-	35,163	35,163	-	35,163
Insurance	11,636	-	11,636	37,122	48,758
Interest	-	-	-	80	80
Miscellaneous	2,135	-	2,135	3,012	5,147
Office expense	-	-	-	7,643	7,643
Payroll taxes	6,762	-	6,762	17,354	24,116
Postage	-	-	-	1,440	1,440
Professional training	512	-	512	515	1,027
Public relations	-	-	-	6,700	6,700
Querbes Park Foundation	-	117,371	117,371	-	117,371
Repairs/maintenance/security	-	-	-	8,879	8,879
Salaries	88,397	-	88,397	226,890	315,287
Supplies	18,060	-	18,060	61	18,121
Telephone	-	-	-	3,165	3,165
Travel	1,228	-	1,228	4,073	5,301
Trees	-	15,469	15,469	-	15,469
Utilities	-	-	-	8,158	8,158
Total expenses	\$133,189	\$313,981	\$447,170	\$372,177	\$819,347

Shreveport Green

Statements of Functional Expenses

2020

Program Activities			Supporting Activities	
ShreveCorps Program	Other Specific Programs	Total Program Activities	Management and General Program	Total Expenses
\$ 3,600	\$ -	\$ 3,600	\$ 19,575	\$ 23,175
20	-	20	1,833	1,853
-	-	-	-	-
-	-	-	2,841	2,841
-	-	-	135	135
-	-	-	11,077	11,077
-	-	-	1,024	1,024
-	-	-	658	658
-	2,448	2,448	3,389	5,837
-	71,672	71,672	-	71,672
-	25,345	25,345	-	25,345
-	-	-	40,553	40,553
-	3,630	3,630	276	3,906
-	-	-	4,055	4,055
-	-	-	4,454	4,454
6,161	1,721	7,882	16,493	24,375
425	-	425	820	1,245
-	-	-	1,505	1,505
-	-	-	6,592	6,592
-	205,134	205,134	-	205,134
-	-	-	4,132	4,132
80,535	22,500	103,035	161,480	264,515
14,588	-	14,588	27	14,615
-	-	-	2,020	2,020
1,129	79	1,208	5,211	6,419
-	-	-	31	31
-	-	-	4,310	4,310
\$106,458	\$332,529	\$438,987	\$292,491	\$731,478

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

Shreveport Green

Statements of Cash Flows

Years Ended December 31,	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 24,589	\$193,496
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	19,520	11,077
Noncash interest expense (amortization of discount)	-	3,630
Noncash forgiveness of debt	-	(100,000)
Decrease in:		
Accounts and grants receivable	(5,729)	(67,845)
Prepaid insurance	(2,018)	(37)
Increase (decrease) in -		
Accounts payable	5,620	1,271
Grants refundable	(270)	270
Net cash provided by operating activities	41,712	41,862
Cash flows from operating activities:		
Additions to property and equipment	-	(47,457)
Net cash used by investing activities	-	(47,457)
Net increase (decrease) in cash	41,712	(5,595)
Cash at beginning of year	237,685	243,280
Cash at end of year	\$ 279,397	\$237,685
Interest paid	\$ 80	\$ 276

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 2019 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	<p>Shreveport Green adopted Accounting Standards Update (ASU) 2016-14, <i>Not-for-Profit Entities</i> (Topic 958): <i>Presentation of Financial Statements of Not-for-Profit Entities</i>. 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.</p> <p>Net Assets</p> <p><u>Assets without donor restrictions</u> – The part of net assets that are not restricted by donor/grantor-imposed stipulations.</p> <p><u>Assets with donor restrictions</u> – The part of net assets that are restricted by donor/grantor-imposed stipulations.</p> <p>Revenue</p> <p>Contributions received may be recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.</p>

Summary of Significant Accounting Policies

(Continued)

Revenue and Support - (continued)

Contractual grant revenue is reported as support without donor restrictions due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support and contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support and contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

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.

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 29, 2022, 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, 2021 and 2020, 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.

	2021	2020
City of Shreveport	\$110,668	\$ 87,566
Caddo Parish	104,500	52,230
Small Business Administration	-	51,723
DeSoto Parish	350	28,000
	<u>\$215,518</u>	<u>\$219,519</u>

Governmental grants for 2020 include \$51,723 from the Paycheck Protection Program (PPP) loan administered by the Small Business Administration. Under the provision of the PPP loan, eligible entities may receive loans backed by the Small Business Administration to pay for certain qualifying expenses. The loans are potentially forgivable provided the funds are used for qualifying expenses within the specified timeframe.

Management used all the funds for qualifying expenses within the allowable timeframe. Management elected to treat the loan as a conditional contribution under the provisions of ASC 958-605 *Not-for-profit Entities: Revenue Recognition* for the year ended December 31, 2020.

2. Other Grant Revenue

Shreveport Green received \$79,660 and \$97,869 in 2021 and 2020, 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, 2021 and 2020. Income for these programs is as follows:

	2021	2020
Choice Neighborhood Gardens	\$ 60,579	\$ 35,090
Mobile Market	41,483	68,141
Farm and Gardens	33,833	-
Tree Planting	29,160	-
Other Specific Programs	24,423	10,000
Neighborhood Enhancement	20,227	15,033
Litter Abatement Projects	14,500	8,779
Keep Louisiana Beautiful	13,400	16,500
COVID-19 Awareness	-	5,000
	\$237,605	\$158,543

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:

	2021	2020
De Soto Parish hazardous waste collection	\$36,970	\$23,786
City of Shreveport hazardous waste collection	16,000	16,000
	\$52,970	\$39,786

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

	2021	2020
Revenue recognized based on goods and services transferred to customers at a point in time	\$52,970	\$39,786

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, 2021 and 2020, 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, 2021 and 2020.

Accounts receivables represent the organization's unconditional right to receive payment for the fulfillment of contract performance obligations or other conditions. Accounts receivable were \$47,978 and \$28,007 for the years ended December 31, 2021 and 2020.

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 and equipment - 3 to 10 years.

The major classifications of property and equipment as of December 31, 2021 and 2020 were as follows:

	2021	2020
Buildings and improvement	\$ 202,506	\$ 202,506
Automobiles	136,294	136,294
Equipment – General	49,674	49,674
Furniture and fixtures	2,828	2,828
Equipment – Neighborhood	545	545
	391,847	391,847
Accumulated depreciation	(317,167)	(297,647)
Property and equipment, net	\$ 74,680	\$ 94,200

Shreveport Green

Notes to Financial Statements

(Continued)

6. Property and Equipment - continued

Depreciation and amortization expense for property and equipment totaled \$19,520 and \$11,077 for the years ended December 31, 2021 and 2020, 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, 2021 and 2020 respectively:

	2021	2020
City of Shreveport Community Development Block Grant	\$35,668	\$49,910
	\$35,668	\$49,910

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, 2021:

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.

**8. Lease
(continued)**

The following schedule summarizes lease information for 2021:

Expenses		
Operating lease expense		1,664
Total lease expense		\$1,664

Cash paid for amounts included in the measurement of lease and liabilities for operating leases:

Operating cash flows	\$1,664
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ROU assets obtained in exchange for lease liabilities:

Operating leases	\$8,917
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Weighed average remaining lease terms (in years):

Operating leases	3.8
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Weighed average discount rate:

Operating leases	6.0%
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	Operating
Maturity Analysis	
2022	\$2,133
2023	2,212
2024	2,296
2025	1,746
2026 and thereafter	530
Lease liability	\$8,917

Shreveport Green

Notes to Financial Statements

(Continued)

9. In-Kind Donations

During the year ended December 31, 2021, Shreveport Green received \$2,135, in donations of in-kind goods or services related to training ShreveCorps participants. During the year ended December 31, 2020, Shreveport Green received \$1,950 in donations of in-kind goods and services.

10. Availability of Financial Assets

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.

	2021	2020
Financial assets at year end	\$ 363,043	\$ 315,602
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions	(133,731)	(65,022)
Financial assets available to meet cash needs for general expenditures within one year	\$ 229,312	\$ 250,580

11. Availability of Financial Assets - continued

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

	2021	2020
Cash and cash equivalents	\$145,666	\$172,663
Accounts receivable	47,978	28,007
Grants receivable	35,668	49,910
Total financial assets	\$229,312	\$250,580

Shreveport Green

Notes to Financial Statements

(Concluded)

12. Net Assets with Donor Restrictions

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

	2021	2020
Management and general programs:		
Querbes Park Foundation	\$133,731	\$44,795
Neighborhood Enhancement	-	14,338
Mobile Market	-	5,889
Total net assets with donor restrictions	\$133,731	\$65,022

13. Change in Accounting Principles

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.

Supplemental Material



Shreveport Green

Schedule of Compensation, Benefits and Other Payments to Agency Head

Year Ended December 31, 2021

Donna Curtis, Executive Director

Salary	\$79,710
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements – mileage	1,302
Reimbursements – other	1,202
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
	\$82,214

2021-001 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, 2020

Ref. No.	Fiscal Year Finding Initially Occurred	Description Of Finding	Condition Corrected	Corrective Action Taken
2020-001	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 2020-001.