

**Greater Shreveport Chamber of Commerce
Shreveport, Louisiana**

Financial Statements

**As of and for the Years Ended December 31, 2022, and 2021
With Supplemental Information Schedules**

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

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Independent Auditors' Report

To the Board of Directors
Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the combined financial statements of Greater Shreveport Chamber of Commerce (a nonprofit organization), which comprise the combined statements of financial position as of December 31, 2022 and 2021, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Greater Shreveport Chamber of Commerce (a nonprofit organization) as of December 31, 2022 and 2021, 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Shreveport Chamber of Commerce and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Shreveport Chamber of Commerce's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- 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 of the effectiveness of Greater Shreveport Chamber of Commerce'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Shreveport Chamber of Commerce's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information schedules on pages 19 – 21, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of the Greater Shreveport Chamber of Commerce's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Greater Shreveport Chamber of Commerce's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Shreveport Chamber of Commerce's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 29, 2023

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statements of Financial Position
December 31, 2022

Assets

	2022	2021
Current assets:		
Cash and cash equivalents	\$ 671,939	\$ 636,967
Investments	4,086,896	957,730
Grant receivable	77,502	25,984
Other receivables	72,395	117,358
Prepaid expenses	23,987	27,565
Total current assets	4,932,719	1,765,604
Noncurrent assets:		
Investment held for endowment purposes	233,927	253,998
Land held for development	1,585,815	1,641,088
Property and equipment, net	843,354	233,987
Total noncurrent assets	2,663,096	2,129,073
Total Assets	\$ 7,595,815	\$ 3,894,677
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 105,099	\$ 92,401
Deferred revenue	36,640	23,950
Finance purchase lease		4,495
Note payable - Economic Injury Disaster Loan - current portion	1,654	
Current liabilities	143,393	120,846
Non-current liabilities:		
Note payable - Economic Injury Disaster Loan	148,346	150,000
Total liabilities	291,739	270,846
Net assets		
With donor restriction	269,418	295,034
Without donor restrictions	7,034,658	3,328,797
Total net assets	7,304,076	3,623,831
Total Liabilities and Net Assets	\$ 7,595,815	\$ 3,894,677

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restriction	With Donor Restriction	Totals
Revenues, gains, support and reclassifications:			
Membership dues	\$ 549,277	\$	\$ 549,277
Programs and projects	241,843		241,843
Rent	3,025		3,025
Grants and contracts	335,496		335,496
Interest and dividends	10		10
Royalties	128,727		128,727
Miscellaneous	100,767		100,767
Contribution of land and building	580,222		580,222
Gain on sale of land held for development	294,726		294,726
Sale of mineral rights	3,073,366		3,073,366
Net assets released from restrictions			
Satisfaction of program restrictions	25,616	(25,616)	
Total revenues, gains, and support	<u>5,333,075</u>	<u>(25,616)</u>	<u>5,307,459</u>
Expenses:			
Supporting services			
General and administrative	891,353		891,353
Programs services			
Public policy	59,033		59,033
Membership services	281,722		281,722
Government procurement center	275,907		275,907
Total expenses	<u>1,508,015</u>		<u>1,508,015</u>
Change in net assets from operations	3,825,060	(25,616)	3,799,444
Nonoperating activities			
Investment return, net	<u>(119,199)</u>		<u>(119,199)</u>
Total nonoperating activities	<u>(119,199)</u>		<u>(119,199)</u>
Change in net assets	3,705,861	(25,616)	3,680,245
Net assets, beginning of year	<u>3,328,797</u>	<u>295,034</u>	<u>3,623,831</u>
Net assets, end of year	<u>\$ 7,034,658</u>	<u>\$ 269,418</u>	<u>\$ 7,304,076</u>

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	Totals
Revenues, gains, support and reclassifications:			
Membership dues	\$ 564,361	\$	\$ 564,361
Programs and projects	247,816	29,036	276,852
Rent	3,300		3,300
Grants and contracts	567,012		567,012
Interest and dividends	10		10
Royalties	38,329		38,329
Miscellaneous	76,017		76,017
Net assets released from restrictions			
Satisfaction of program restrictions	8	(8)	
Total revenues, gains, and support	<u>1,496,853</u>	<u>29,028</u>	<u>1,525,881</u>
Expenses:			
Supporting services			
General and administrative	711,752		711,752
Programs services			
Public policy	98,282		98,282
Membership services	245,434		245,434
Government procurement center	232,196		232,196
Total expenses	<u>1,287,664</u>		<u>1,287,664</u>
Change in net assets from operations	209,189	29,028	238,217
Nonoperating activities			
Investment return, net	<u>115,391</u>		<u>115,391</u>
Total nonoperating activities	<u>115,391</u>		<u>115,391</u>
Change in net assets	324,580	29,028	353,608
Net assets, beginning of year	<u>3,004,217</u>	<u>266,006</u>	<u>3,270,223</u>
Net assets, end of year	<u>\$ 3,328,797</u>	<u>\$ 295,034</u>	<u>\$ 3,623,831</u>

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Functional Expenses
For the Year Ended December 31, 2022

	Support Services		Program Services			Totals
	General and Administrative	Public Policy	Membership Services	Government Procurement Center	Total Program Services	
Salaries and commissions	\$ 354,987	\$	\$ 108,039	\$ 187,479	\$ 295,518	\$ 650,505
Payroll taxes	23,795		8,172	14,396	22,568	46,363
Pension expense	28,175		8,083	13,775	21,858	50,033
Other employee benefits	40,385		20,240	16,369	36,609	76,994
Advertising			19,846		19,846	19,846
Liability insurance	23,508					23,508
Building rent	8,758					8,758
Office supplies	4,974		99	1,520	1,619	6,593
Periodicals and dues	11,693					11,693
Postage	3,148					3,148
Professional expense	194,255	2,255			2,255	196,510
Photocopy and printing	550			945	945	1,495
Travel	10,613			8,514	8,514	19,127
Members/prospect development	393					393
Luncheons and receptions	3,688		774		774	4,462
Computer hardware / software	37,646			19,601	19,601	57,247
Professional development	964			160	160	1,124
Custodial / building maintenance	18,222					18,222
Telephone	10,231			5,477	5,477	15,708
Utilities	32,884					32,884
Miscellaneous	18,108	19,438	25,931	4,082	49,451	67,559
Annual meeting expenses			23,743		23,743	23,743
Leadership programs		33,694	57,928		91,622	91,622
Women's business council	18,577					18,577
Minority business council	18,568					18,568
Special events	9,737		7,373		7,373	17,110
Interest expense	4,125					4,125
Depreciation	13,369	3,646	1,494	3,589	8,729	22,098
Total expenses	\$ 891,353	\$ 59,033	\$ 281,722	\$ 275,907	\$ 616,662	\$ 1,508,015

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Functional Expenses
For the Year Ended December 31, 2021

	Support Services		Program Services			Totals
	General and Administrative	Public Policy	Membership Services	Government Procurement Center	Total Program Services	
Salaries and commissions	\$ 368,984	\$	\$ 103,000	\$ 157,987	\$ 260,987	\$ 629,971
Payroll taxes	23,942		7,524	12,029	19,553	43,495
Pension expense	30,612		7,738	10,274	18,012	48,624
Other employee benefits	42,579		16,660	10,243	26,903	69,482
Advertising			32,227		32,227	32,227
Liability insurance	26,033					26,033
Building rent	8,262					8,262
Office supplies	3,430		625	2,216	2,841	6,271
Periodicals and dues	8,884					8,884
Postage	820					820
Professional expense	16,240	81,364			81,364	97,604
Photocopy and printing	226			176	176	402
Travel	353	18		7,950	7,968	8,321
Members/prospect develop	371					371
Luncheons and receptions	6,923		68		68	6,991
Computer hardware / software				18,361	18,361	18,361
Professional development	649			2,796	2,796	3,445
Custodial / building mainten	33,554					33,554
Telephone	11,458			6,046	6,046	17,504
Utilities	31,508					31,508
Miscellaneous	42,959		1,263		1,263	44,222
Annual meeting expenses			11,914		11,914	11,914
Leadership programs		15,148	42,025		57,173	57,173
Women's business council	15,733					15,733
Minority business council	11,562					11,562
Special events	10,369		7,406		7,406	17,775
Reserve for bad debts			10,615		10,615	10,615
Interest expense	5,156					5,156
Depreciation	11,145	1,752	4,369	4,118	10,239	21,384
Total expenses	\$ 711,752	\$ 98,282	\$ 245,434	\$ 232,196	\$ 575,912	\$ 1,287,664

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statements of Cash Flows
For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Activities		
Changes in net assets	\$ 3,680,245	\$ 353,608
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	22,098	21,384
Net realized and unrealized (gains) losses on investments	162,239	(115,297)
Interest and dividends restricted for investment in endowment	(42,992)	(86)
(Gain) loss on sale of land held for development	(294,726)	
Contribution of land and building	(580,222)	
(Increase) decrease in operating assets:		
Grants receivable	(51,518)	10,924
Other receivables	44,963	(37,548)
Prepaid expenses	3,578	(8,192)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	12,698	(8,121)
Deferred revenue	12,690	19,950
Net cash provided by operating activities	<u>2,969,053</u>	<u>236,622</u>
Investing Activities		
Payments for property and equipment	(51,243)	
Proceeds from sale of land held for development	350,000	
Proceeds from sale of investments	20,000	
Purchase of investments	<u>(3,248,366)</u>	
Net cash (used in) investing activities	<u>(2,929,609)</u>	
Financing Activities		
Repayments of finance purchase lease	(4,495)	(12,981)
Interest and dividends restricted for investment in endowment	23	86
Net cash (used in) financing activities	<u>(4,472)</u>	<u>(12,895)</u>
Net increase in cash and cash equivalents	34,972	223,727
Cash and cash equivalents as of beginning of year	<u>636,967</u>	<u>413,240</u>
Cash and cash equivalents as of end of year	<u>\$ 671,939</u>	<u>\$ 636,967</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	<u>\$ 4,125</u>	<u>\$ 3,530</u>
Non-cash investing and financing transaction:		
Acquisition of property		
Cost of property and equipment, net of trade-ins	\$ 631,465	\$
Contribution of land and building	<u>(580,222)</u>	
Cash paid for property and equipment	<u>\$ 51,243</u>	<u>\$</u>

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022 and 2021

(1) Summary of Significant Accounting Policies

A. Principles of Combination

The accompanying the combined financial statements reflect the combined financial statements of the Greater Shreveport Chamber of Commerce (the Chamber) and all related entities as described below. The members of the Chamber elect the board of directors of the Chamber. The Chamber board of directors also serves as the board of directors for the Greater Shreveport Chamber Foundation (formerly the Greater Shreveport Industrial Park Development Foundation, Inc.). The Chamber and these other entities share common facilities and personnel. Material interorganization transactions and balances have been eliminated.

B. Nature of Activities

The Greater Shreveport Chamber of Commerce – This is a nonprofit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)6 of the Internal Revenue Code. Activities within this entity accounts for the general operations and activities of the Chamber.

Greater Shreveport Chamber Foundation. – During 2020, the name of the Greater Shreveport Industrial Park Development Foundation, Inc. was changed to the Greater Shreveport Chamber Foundation. This is a non-profit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. Activities within this entity are primarily related to funds contributed specifically for the assistance in economic development activities.

The Forms 990, "Return of Organization Exempt from Income Taxes" for the Greater Shreveport Chamber of Commerce and the Greater Shreveport Chamber Foundation for the years ending 2019, 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

C. Basis of Accounting

The combined financial statements of the Chamber have been prepared on the accrual basis of accounting.

D. Use of Estimates

Management uses estimates and assumptions in preparing the combined financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022 and 2021
(Continued)

E. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of Chamber's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Chamber or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Chamber has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

F. Deferred Revenue

Income from membership dues and other Chamber events is deferred and recognized over the periods to which the dues and events relate.

G. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Chamber considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

H. Investments

The Chamber carries investments in marketable securities with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

I. Property and Equipment

Property, equipment, and leasehold improvements are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the remaining term of the lease or the useful life of the improvement, whichever is shorter. The Chamber has adopted a policy of capitalizing all assets with a unit value of \$1,000 or more.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022 and 2021
(Continued)

J. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature or any donor restrictions. When restrictions expire (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. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

K. Advertising Costs

The Chamber uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. During 2022 and 2021, advertising costs totaled \$19,846 and \$32,227, respectively.

L. Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy are described as follows:

Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: significant other observable inputs than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

M. Endowment Funds

Endowment funds represent assets and net assets that are subject to restriction by gift instruments as prescribed by donors. The principal amount, based on historical gift value, is to be maintained permanently. The income derived from each endowment is also restricted per the donor's specifications. Uses of those funds are approved by donor upon request of the Chamber.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2022 and 2021
 (Continued)

N. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the function they benefit.

(2) Concentrations of Credit Risk

Concentrations of credit risk with respect to other accounts receivable are limited due to the large number of contributors comprising the Chamber's contributor base and their dispersion across different industries. As of December 31, 2022 and 2021, the Chamber had no significant concentrations of credit risk in relation to other accounts receivable.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due under contractual terms. As of December 31, 2022 and 2021, the Chamber had no significant concentrations of credit risk in relation to grant receivables.

The Chamber maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022, total cash balances held at financial institutions was \$692,911, of which \$598,077 was FDIC secured, and the balance of \$94,834 was uninsured. At December 31, 2021, total cash balances held at financial institutions was \$656,240, of which \$628,170 was FDIC secured, and the balance of \$28,070 was uninsured.

(3) Land Held for Development

Land held for development at December 31, 2022 and 2021 represents \$630,795 and \$686,068, respectively, of land purchased in Caddo Parish to develop an industrial park, as well as \$955,020 of development expenses. A portion of the land was purchased with city, state, and parish funds through cooperative endeavor agreements that provide certain restrictions on the property's sale or transfer. During 2022, the Chamber sold approximately 11 acres of land in the industrial park, resulting in a gain of approximately \$294,726.

(4) Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Cash, non-interest bearing	\$ 550,258	\$ 548,048
Cash, interest bearing, daily simple interest	<u>121,681</u>	<u>88,919</u>
	<u>\$ 671,939</u>	<u>\$ 636,967</u>

(5) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 49,147	\$ 37,632
Accrued interest	307	2,592
Accrued leave payable	<u>55,645</u>	<u>52,177</u>
	<u>\$ 105,099</u>	<u>\$ 92,401</u>

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2022 and 2021
 (Continued)

(6) Investment Held for Endowment Purposes

The investments are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). Investments held for endowment purposes as of December 31, 2022 and 2021, consisted of the following:

	Fair Value	
	2022	2021
Cash and money market fund	\$ 233,927	\$ 253,998

Net investment return for the year ended December 31, 2022 totaled \$(71), which consisted of \$23 interest and dividends and \$(94) unrealized loss.

Net investment return for the year ended December 31, 2021 totaled \$(8), which consisted of \$86 interest and dividends and \$(94) unrealized loss.

Activity in the endowment for the years ended December 31, 2022 and 2021, is as follows:

	2022	2021
Endowment net assets, beginning of year	\$ 253,998	\$ 254,006
Investment return	(71)	(8)
Appropriated for expenditure	(20,000)	
	\$ 233,927	\$ 253,998

(7) Grants Receivable

The Chamber receives a federal grant that provides reimbursement of allowable costs under contract. This balance represents amounts due from the funding agency at December 31, 2022 and 2021, but not received until after that date.

(8) Other Accounts Receivable

Other accounts receivable of \$72,395 and \$117,358 at December 31, 2022 and 2021, respectively is comprised of membership dues and other miscellaneous amounts due at December 31, 2022 and 2021 but not received until after that date. The other accounts receivable is shown net of a reserve for uncollectible accounts of \$17,285 and \$44,609, respectively.

(9) Employee Benefit Plans

The Chamber participates in a 401(k) profit-sharing plan whereby the Chamber makes contributions to the Plan each year equal to 8% of participating employee's compensation. Effective June 1, 2020, the Chamber amended the plan, reducing the contribution rate to 3% of employee's compensation. Subsequently, on January 1, 2021, The Chamber increased the contribution rate to 8%. Total expense for the year ended December 31, 2022 and 2021, was approximately \$50,032 and \$46,876, respectively.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022 and 2021
(Continued)

(10) Property and Equipment

Property and equipment at December 31, 2022 and 2021, with estimated depreciable life, are summarized as follows:

		<u>2022</u>	<u>2021</u>
Land	N/A	\$ 216,044	\$ 100,000
Leasehold Improvements	30 years	293,986	293,986
Building	30 years	464,178	
Construction in progress	N/A	51,242	
Furniture, fixtures, equipment	5-10 years	<u>192,242</u>	<u>192,242</u>
		1,217,692	586,228
Accumulated Depreciation		<u>(374,338)</u>	<u>(352,241)</u>
		<u>\$ 843,354</u>	<u>\$ 233,987</u>

Depreciation expense for the years ended December 31, 2022 and 2021, was \$22,098 and \$21,384, respectively.

(11) Net Assets

Net assets at December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ 4,525,080	\$1,361,505
Board designated:		
Building reserves	7,770	12,487
Land held for development	1,585,815	1,641,088
Business councils		4,664
Leadership	39,538	39,538
Shreveport opportunity	16,647	16,647
Young professionals		6,923
I-49 Coalition	<u>16,454</u>	<u>16,453</u>
Total board designated	1,666,224	1,737,800
Net investment in property and equipment	<u>843,354</u>	<u>229,492</u>
Total net assets without donor restrictions	<u>7,034,658</u>	<u>3,328,797</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose --		
Restricted for land improvements	12,000	12,000
Finish I-49	23,491	29,036
J Pat Beard Memorial permanent endowment	<u>233,927</u>	<u>253,998</u>
Total net assets with donor restrictions	<u>269,418</u>	<u>295,034</u>
Total Net Assets	<u>\$7,304,076</u>	<u>\$3,623,831</u>

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2022 and 2021
 (Continued)

(12) Finance Lease Liability - Equipment

During January 2017, the Chamber entered into an agreement to retro fit current lighting to LED lighting. The lease agreement qualifies as a financing lease for accounting purposes. The LED lighting is included in capital assets at a cost of \$57,661, with accumulated depreciation of \$18,900, as of December 31, 2022. Interest has been imputed at a rate of 8.032%. The Chamber made the final payment under this lease during 2022.

(13) Investments

The investments are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). Investments as of December 31, 2022 and 2021 consisted of the following:

	Fair Value	
	2022	2021
Exchange – traded funds	\$ 792,634	\$ 915,131
Cash and cash alternatives	<u>3,294,262</u>	<u>42,599</u>
	<u>\$ 4,086,896</u>	<u>\$ 957,730</u>

Net investment return for the year ended December 31, 2022, totaled \$(119,199), which consisted of interest and dividend income of \$42,945, and realized and unrealized losses of \$(162,144).

Net investment return for the year ended December 31, 2021, totaled \$115,391, which consisted of interest and dividend income of \$16,167, and realized and unrealized gains of \$99,224.

(14) Contribution of Land and Building

The Chamber records the estimated fair value of contributed materials and services provided as revenue in the year received. During 2022, the Chamber received a donation of land and a building with an estimated fair value of \$580,222.

(15) Paycheck Protection Program Loan Forgiveness

The Chamber met the eligibility criteria for forgiveness of two loans received by the Small Business Administration under the Paycheck Protection Program (PPP) totaling \$213,080. By meeting the forgiveness criteria on the loans and receiving forgiveness of the loans during 2021, the Chamber concludes the PPP loans, in substance, are a grant recorded in grants and contracts revenue on the statement of activities for the year ended December 31, 2021.

(16) Employee Retention Credit

The Chamber received credits during 2021 totaling \$116,856, against certain payroll taxes allowed for qualifying wages, as established by the Coronavirus Aid Relief and Economic Security (CARES) act. The Chamber records the amounts received as grants and contracts revenue in the statement of activities for the year ended December 31, 2021.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2022 and 2021
 (Continued)

(17) Liquidity and Availability of Financial Assets

The Chamber monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Chamber has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	\$ 671,939	\$ 636,967
Investments	4,086,896	957,730
Investments held for endowment purposes	233,927	253,998
Accounts receivable	149,897	143,342
Total financial assets	5,142,659	1,992,037
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(269,418)	(295,034)
Less Board-designated assets which are designated for various purposes	(80,409)	(96,712)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,792,832	\$ 1,600,291

As reflected above, certain board-designated assets are designated for the various purposes, as further described in Note 11. These assets limited to use are not available for general expenditures within the next year and are, therefore, deducted from the amounts noted above. However, board designated amounts could be made available, if necessary. The Statement of Cash Flows identifies the sources and uses of the Chamber's cash and shows positive cash generated by operations of \$2,969,053 and \$236,622 for the years ended December 31, 2022 and 2021, respectively.

In addition to financial assets available to meet general expenditures over the year, the Chamber anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies, membership dues, and income generated from various programs and projects.

(18) Related Party Transactions

During the years ended December 31, 2022 and 2021, the Chamber paid for professional services, of which a member of the Chamber board of directors was a part owner. Total amount paid was approximately \$5,545 and \$74,964, respectively.

(19) Concentration

The Chamber received \$3,073,366 from the sale of mineral rights during the year ended December 31, 2022. Proceeds from the sale represent approximately 58% of the total revenue for the year ended December 31, 2022.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2022 and 2021
 (Continued)

(20) Note Payable – Economic Injury Disaster Loan ("EIDL")

In May 2020, the Chamber received loan proceeds totaling \$150,000 under the Economic Injury Disaster Loan Program ("EIDL"). The loan will accrue interest at the rate of 2.75% per annum. Installment payment, including principal and interest, of \$641 monthly, will begin thirty (30) months from the date of the promissory note. Each payment will be applied first to accrued interest to the date of receipt of each payment, and the balance, if any, will be applied to principal. The balance of principal and interest will be payable thirty (30) years from the date of the promissory note. The Chamber grants a security interest to the U.S. Small Business Administration of all tangible and intangible personal property. The Chamber made payments totaling \$6,410 during 2022, which were all applied to accrued interest. No payments were made during the year ended December 31, 2021.

Approximate maturities of the loan are as follows:

Year Ended December 31,	Amount
2023	\$ 1,654
2024	3,658
2025	3,760
2026	3,865
2027	3,972
After 2027	133,091
	\$ 150,000

(21) Change in Accounting Principle

Effective January 1, 2021, the Chamber adopted FASB ASC 842, *Leases*. The Chamber determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. The adoption of FASB ASC 842 did not have a material impact on the Organization's statement of activities, cash flows or debt covenants.

(22) Commitment

The Chamber has a commitment for a roof replacement of approximately \$147,969. As of December 31, 2022, approximately \$51,242 had been incurred on this contract, with the balance remaining on this contract to be incurred subsequent to December 31, 2022.

(23) Subsequent events

The Chamber awarded a contract for improvements to a building in the amount of \$481,152.

In April 2023, the Chamber signed a contract to sale approximately 19 acres of the land held for sale. The contract is for approximately \$702,754.

Subsequent events have been evaluated through June 29, 2023, the date the financial statements were available to be issued.

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combining Schedule of Financial Position
December 31, 2022

	<u>General Fund</u>	<u>Greater Shreveport Chamber Foundation</u>	<u>Totals</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 566,712	\$ 105,227	\$ 671,939
Investments	4,086,896		4,086,896
Grant receivable	77,502		77,502
Other receivables	72,395		72,395
Due from other fund		8,750	8,750
Prepaid expenses	23,987		23,987
Total current assets	<u>4,827,492</u>	<u>113,977</u>	<u>4,941,469</u>
Noncurrent assets:			
Investment held for endowment purposes	233,927		233,927
Land held for development	1,585,815		1,585,815
Property and equipment, net	843,354		843,354
Total noncurrent assets	<u>2,663,096</u>		<u>2,663,096</u>
Total Assets	<u><u>\$ 7,490,588</u></u>	<u><u>\$ 113,977</u></u>	<u><u>\$ 7,604,565</u></u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 104,269	\$ 830	\$ 105,099
Due to other fund	8,750		8,750
Deferred revenue	36,640		36,640
Note payable - Economic Injury Disaster Loan - current portion	1,654		1,654
Current liabilities	<u>151,313</u>	<u>830</u>	<u>152,143</u>
Non-current liabilities:			
Economic Injury Disaster Loan	148,346		148,346
Total liabilities	<u>299,659</u>	<u>830</u>	<u>300,489</u>
Net assets			
With donor restriction	233,927	35,491	269,418
Without donor restrictions	6,957,002	77,656	7,034,658
Total net assets	<u>7,190,929</u>	<u>113,147</u>	<u>7,304,076</u>
Total Liabilities and Net Assets	<u><u>\$ 7,490,588</u></u>	<u><u>\$ 113,977</u></u>	<u><u>\$ 7,604,565</u></u>

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combining Schedule of Activities
For the Year Ended December 31, 2022

	General Fund	Greater Shreveport Chamber Foundation	Totals
Revenues, gains, and support			
Membership dues	\$ 549,277	\$	\$ 549,277
Programs and projects	206,599	35,244	241,843
Rent	3,025		3,025
Grants and contracts	335,496		335,496
Interest and dividends	1	9	10
Mineral lease royalties	128,727		128,727
Contribution of land and building	580,222		580,222
Gain on sale of land held for developemnt	294,726		294,726
Sale of mineral rights	3,073,366		3,073,366
Miscellaneous	68,267	32,500	100,767
	<u>5,239,706</u>	<u>67,753</u>	<u>5,307,459</u>
Total revenues, gains, and support			
Expenses and losses:			
Supporting services			
General and administrative	891,353		891,353
Programs services			
Public policy	48,104	10,929	59,033
Membership services	248,028	33,694	281,722
Government procurement center	275,907		275,907
	<u>1,463,392</u>	<u>44,623</u>	<u>1,508,015</u>
Total expenses			
Change in net assets from operations	3,776,314	23,130	3,799,444
Nonoperating activities			
Investment return, net	(119,199)		(119,199)
	<u>(119,199)</u>		<u>(119,199)</u>
Total nonoperating activities			
Change in net assets	3,657,115	23,130	3,680,245
Net assets, beginning of year	3,533,814	90,017	3,623,831
Net assets, end of year	<u>\$ 7,190,929</u>	<u>\$ 113,147</u>	<u>\$ 7,304,076</u>

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2022

Agency Head: Timothy Magner, President

There were no payments for compensation, benefits, and other derived from public funds during the year ended December 31, 2022.

COOK & MOREHART

Certified Public Accountants

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards

Independent Auditors' Report

To the Board of Directors
Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the combined financial statements of Greater Shreveport Chamber of Commerce, (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2022, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated June 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Greater Shreveport Chamber of Commerce's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater Shreveport Chamber of Commerce's internal control. Accordingly, we do not express an opinion on the effectiveness of Greater Shreveport Chamber of Commerce's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

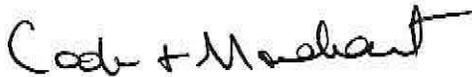
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Shreveport Chamber of Commerce's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
June 29, 2023

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Summary Schedule of Audit Findings
December 31, 2022 and 2021

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year audit for the year ended December 31, 2021.

Corrective Action Plan for Current Year Audit Findings

There are no findings or management letter comments for the current year audit for the year ended December 31, 2022.

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Greater Shreveport Chamber of Commerce's (Chamber) management is responsible for those C/C areas identified in the SAUPs.

The Chamber has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedures performed. Noted the following exceptions:

Exception: The Chamber's written policies and procedures did not contain the approval process for employees' rate of pay, contracting, or information and technology.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or*

included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedures performed. No exceptions noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. Noted the following exceptions:

Exception: There were 2 outstanding items totaling \$78.87 on the bank reconciliation that had been outstanding for more than 12 months.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.
- Procedures performed. No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. Noted the following exception:

Exception: The employee responsible for processing payments can add/modify vendor files.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of

the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures performed. No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedures performed. No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedures performed. No exceptions noted.

10) Ethics

Not applicable to nonprofit organizations.

11) Debt Service

Not applicable to nonprofit organizations.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management represented there were no misappropriation of public funds or assets during the year ended December 31, 2022.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedures performed. Noted the following exceptions:

Exception: The Chamber does not have the required fraud notice on its website.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

Not applicable to the Chamber.

We were engaged by the Chamber, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Chamber, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive, flowing style.

Cook & Morehart
Certified Public Accountants
June 29, 2023



GREATER SHREVEPORT CHAMBER

June 29, 2023

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

The Greater Shreveport Chamber of Commerce submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2022:

Exceptions: The Chamber's written policies and procedures did not contain the approval process for employees rate of pay, contracting, or information and technology.

Response: The Chamber will add the required policies and procedures listed.

Exception: There were 2 outstanding items on the bank reconciliation that had been outstanding for more than 12 months.

Response: Management will research the outstanding items over 12 months on bank reconciliation.

Exception: The employee responsible for processing payments can add/modify vendor files.

Response: Management will consider alternative procedures for adding vendors to the vendor files. All disbursements are approved by management.

Exception: The Chamber does not have the required fraud notice on its website.

Response: The Chamber will add the notice to its website.

Sincerely,

Timothy J. Magner, Ph.D.
President