

**DESOTO PARISH CHAMBER OF COMMERCE, INC.
MANSFIELD, LOUISIANA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

DESOTO PARISH CHAMBER OF COMMERCE, INC.
Mansfield, Louisiana
FINANCIAL REPORT
March 31, 2020

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Dees Gardner, Certified Public Accountants, LLC

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122 Jefferson Street
Mansfield, Louisiana
318-872-3007

Independent Accountant's Review Report

To the Board of Directors of the
DeSoto Parish Chamber of Commerce, Inc.
Mansfield, Louisiana

We have reviewed the accompanying financial statements of the DeSoto Parish Chamber of Commerce, Inc. (a nonprofit organization), as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Chamber's basic financial statements as listed in the table of contents. A review includes primarily applying procedures to management's financial data and making inquiries of the management of the DeSoto Parish Chamber of Commerce, Inc. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The Chamber's 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with the *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the DeSoto Parish Chamber of Commerce, Inc in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated September 30, 2020, on the results of our agreed-upon procedures on pages 11-13. Also presented as required is the Louisiana Attestation Questionnaire.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
September 30, 2020

BASIC FINANCIAL STATEMENTS

DESOTO PARISH CHAMBER OF COMMERCE, INC.
Mansfield, Louisiana
Statement of Financial Position
 March 31, 2020

| | 2020 |
|-------------------------------------|------------|
| ASSETS | |
| Cash and cash equivalents | \$ 163,206 |
| Capital assets, net of depreciation | 393,470 |
| TOTAL ASSETS | \$ 556,676 |
| LIABILITIES | |
| Payroll liabilities | \$ 1,405 |
| TOTAL LIABILITIES | 1,405 |
| NET ASSETS | |
| With donor restriction | - |
| Without donor restriction | 555,271 |
| TOTAL NET ASSETS | 555,271 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 556,676 |

See accompanying notes and independent accountant's review report.

DESOTO PARISH CHAMBER OF COMMERCE, INC.
Mansfield, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2020

| | 2020 |
|---|-------------|
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS: | |
| Operating revenues: | |
| Membership | \$ 25,284 |
| Programs | 13,560 |
| Public Support: | |
| State occupancy tax | 51,910 |
| DeSoto Parish Policy Jury grant | 5,000 |
| Other Revenue: | |
| Rent | 14,956 |
| Interest | 779 |
| Miscellaneous | 2,328 |
| Net assets released from restrictions: | |
| Satisfaction contribution and CEA expenditure requirements | 226,140 |
| Total operating revenues, public support, and other revenue without donor restriction | 339,957 |
| Expenses | |
| Program Services: | |
| Economic development | 47,938 |
| Sub-recipient grant | 192,500 |
| Supporting services: | |
| Payroll and personnel | 49,184 |
| Membership development | 12,872 |
| Insurance | 7,433 |
| Office expense | 13,053 |
| Utilities | 5,432 |
| Rent | 1,823 |
| Repairs and maintenance | 7,604 |
| Depreciation | 13,991 |
| Total expenses | 351,830 |
| Decrease in net assets without donor restrictions | 11,873 |
| CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS: | |
| Public Support: | - |
| Enterprise fund grant | 192,500 |
| Contributions | 33,640 |
| Net assets released from restrictions | (226,140) |
| Increase (Decrease) in net assets with donor restrictions | - |
| Decrease in net assets | 11,873 |
| Net assets at the beginning of the year | 567,144 |
| Net assets at the end of the year | \$ 555,271 |

See accompanying notes and independent accountant's review report.

DESOTO PARISH CHAMBER OF COMMERCE, INC.
Mansfield, Louisiana
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2020

| | |
|--|-------------------|
| Cash flow from operating activities: | |
| Cash received for membership dues and functions | \$ 38,844 |
| Cash received from contributions and grants | 283,050 |
| Cash received from other sources | 17,284 |
| Cash paid to employees | (49,155) |
| Cash paid to suppliers for goods and services | (59,406) |
| Cash paid to grant sub-recipients and other contributions | (229,250) |
| Net cash used in operating activities | <u>1,367</u> |
| Cash flows from capital and related investing activities: | |
| Interest income | 779 |
| Acquisition of capital assets | (1,535) |
| Net cash used in capital and related investing activities | <u>(756)</u> |
| Net change in cash | 611 |
| Cash, beginning of year | 162,595 |
| Cash, end of year | <u>\$ 163,206</u> |
| Reconciliation to Statement of Financial Position | |
| Assets: Cash and cash equivalents | \$ 163,206 |
| Total cash and cash equivalents | <u>\$ 163,206</u> |

The accompanying notes are an integral part of this statement.
See the accompanying independent accountant's review report.

NOTES TO THE FINANCIAL STATEMENTS

DESOTO PARISH CHAMBER OF COMMERCE, INC.

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended March 31, 2020

Note A. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The DeSoto Parish Chamber of Commerce, Inc., was incorporated on March 10, 1954 as a non-profit organization under Internal Revenue Code Section 501(c)6. The members of the Chamber elect the board of directors of the Chamber. The primary mission of the Chamber is the development and promotion of business within DeSoto Parish, Louisiana. Major sources of funding for the Chamber are contributions, dues, and State and local grants.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents / Investments

For the purposes of the statement of cash flows, cash equivalents consist of short-term, highly liquid investments available for current use with an initial maturity of three months or less. Investments consist of certificates of deposit. The stated value of the investments approximates the fair value at the date of the statement of financial position.

The Chamber maintains accounts with various financial institutions in the area. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) and for up to \$250,000 in each institution. At March 31, 2020, there were no uninsured balances. Management believes it is not exposed to any significant credit risk on its cash or investments.

Property and equipment

Property and equipment are stated at cost or management's estimate of cost. It is the Chamber's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Depreciation is provided over the estimated useful life of the related assets using the straight-line method with estimated lives from five to thirty-nine years.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, the Chamber reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions include those net assets available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are those net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. There were no net assets with donor restrictions at March 31, 2020.

DESOTO PARISH CHAMBER OF COMMERCE, INC.

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended March 31, 2020

Note A. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Income Taxes

The Chamber is granted tax exempt status under Internal Revenue Code Section 501(c)(6). No provision for income taxes has been made in these financial statements. The Chamber's federal Exempt Organization Business Income Tax Returns (Form 990) for 2016, 2017, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. The expenses charged directly to program or supporting services are based on specific identification, and indirect expenses have been allocated based on salary expenditures.

Vacation Policy

The Chamber's full time employees are entitled to one week of paid vacation after six months continuous employment. After one full year of employment, full time employees are eligible for two weeks of paid vacation. Employees are entitled to eleven paid holidays. Full time employees are entitled to ten paid sick days per year after completion of three months of employment.

Note B. Property and equipment

Property and equipment consist of the following:

| | <u>2019</u> | | <u>Additions</u> | | <u>Deletions</u> | | <u>2020</u> |
|--------------------------------|-------------------|----|------------------|----|------------------|----|----------------|
| Building | \$ 539,209 | \$ | 685 | \$ | - | \$ | 539,894 |
| Furniture, Fixtures, Equipment | 16,176 | | 850 | | (2,428) | | 14,598 |
| | <u>555,385</u> | | <u>1,535</u> | | <u>(2,428)</u> | | <u>554,492</u> |
| Less accumulated depreciation | 149,459 | | 13,991 | | (2,428) | | 161,022 |
| Property and equipment, net | <u>\$ 405,926</u> | \$ | <u>15,526</u> | \$ | <u>-</u> | \$ | <u>393,470</u> |

Note C. Executive Director Compensation

The Executive Director receives no compensation from public funds. As such, the schedule of compensation, benefits and other payments to agency head is not a required statement.

Note D. Subsequent Events

Management has performed an evaluation of the Chamber's activities through September 30, 2020, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued. In the spring of 2020, there was a global outbreak of novel coronavirus, COVID-19. The public health crisis has caused volatile economic conditions, impacting financial markets and disrupting business activities across the United States. The timing and extent of the impact of COVID-19 on the Chamber's current operations and future operations is unknown at the date of this report.

OTHER REPORTS REQUIRED BY LOUISIANA GOVERNMENTAL
AUDIT GUIDE



Dees Gardner, Certified Public Accountants, LLC

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Maura Dees Gardner, CPA, CFE

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Independent Accountant’s Report on Applying Agreed-Upon Procedures

Board of Directors of the DeSoto Parish
Chamber of Commerce, Inc.
Mansfield, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of DeSoto Parish Chamber of Commerce, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management’s assertions about Chamber’s compliance with certain laws and regulations during the year ended March 31, 2020, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Chamber is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Chamber’s management.

The Chamber provided us with the following list of expenditures made for grant awards received during the fiscal year ended March 31, 2020:

| Federal, State, or Local Grant Name | Grant Year | CFDA No. | Amount |
|---|------------|----------|------------|
| DeSoto Parish Police Jury | 2019 | N/A | \$ 5,000 |
| DeSoto Parish Tourist Bureau – Enterprise funds grant | 2019 | N/A | 192,500 |
| Total Expenditures | | | \$ 197,500 |

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

One grant received was disbursed in its entirety immediately upon receipt to a sub-recipient. The other grant was a general operating grant. As such, the single noted disbursement and six random disbursements were selected for review.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the selected disbursements were coded to the correct general ledger account.
All of the disbursements except one were coded to the correct general ledger account.
5. Report whether the selected disbursements were approved in accordance with the Chamber's policies and procedures.
Entity does not have policies and procedures for disbursements. No approvals found on disbursement documentation.
6. For each selected disbursement made for federal grant awards, obtain the Compliance Supplement for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the Compliance Supplement, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.
No federal grants or grants requiring Compliance Supplement were received. No exceptions to allowed activities, eligibility, or reporting in disbursements reviewed.
7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.
No grants received required close out reports.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.
Not applicable to entity.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.
Not applicable to entity in the current year. All grants received did not require submission of a budget.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.
The Report was submitted timely to the Louisiana Legislative Auditor.
11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).
The Chamber's management represented that the Chamber did not enter into any contracts during the fiscal year that were subject to the public bid law.

Other matters, concerns, suggestions, recommendations, and/or comments

12. Discuss any other matters, concerns, suggestions, recommendations and/or comments determined during the performance of attestation procedures.
 - a. *Segregation of Duties. The Chamber currently only has written policies and procedures governing payroll and personnel. In reviewing documentation and records related to disbursements, payroll expenditures, and collections, it was observed that the entity does not currently have sufficient procedures in place to ensure proper segregation of duties. There was no evidence of management review and approval on any disbursement documentation or collection documentation.*
 - b. *Compliance. It was observed that 1099's were not issued to all eligible vendors paid during the year of review.*

Prior-Year Comments

13. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

No prior year suggestions, recommendations, and/or comments provided with the prior years compilation engagement.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Chamber and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC
Mansfield, Louisiana
September 30, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

9/30/2020 (Date Transmitted)

Dees Gardner, Certified Public Accountants, LLC

122 Jefferson Street

Mansfield, LA 71052

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of March 31, 2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “Open Meeting FAQs,” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Not applicable Yes [] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No []

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

Brendan H. Hall Executive Director 9/30/2020 Date

Martha G. Rivers Treasurer 9/30/2020 Date

_____ President _____ Date