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**West Monroe - West Ouachita  
Chamber of Commerce, Inc.**

**Financial Statements  
Years Ended December 31, 2003 and 2002**

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

Release Date 6.9.04

# West Monroe - West Ouachita Chamber of Commerce, Inc.

December 31, 2003 and 2002

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Luffey  
Huffman  
& Monroe

(A Professional Accounting Corporation)

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

### Board of Directors

### West Monroe - West Ouachita Chamber of Commerce, Inc.

We have audited the accompanying statements of financial position of the **West Monroe - West Ouachita Chamber of Commerce, Inc.** (the Chamber) as of December 31, 2003 and 2002 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Chamber's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. The standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide* published by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chamber as of December 31, 2003 and 2002 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2004, on our consideration of the Chamber's internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

(A Professional Accounting Corporation)

April 9, 2004

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**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2003	2002
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 63,066	\$ 57,647
Investments	6,449	7,400
Accounts Receivable	12,017	16,095
Contributions Receivable	-	1,934
Prepaid Expenses	-	4,100
Total Current Assets	81,532	87,176
<b>Property, Plant and Equipment</b>		
Land	42,982	42,982
Building	170,968	170,968
Equipment	47,662	46,907
Furniture and Fixtures	33,497	33,497
Improvements	33,263	28,778
Total Property, Plant and Equipment	328,372	323,132
Less: Accumulated Depreciation	(104,008)	(78,948)
Net Property, Plant and Equipment	224,364	244,184
<b>TOTAL ASSETS</b>	<b>305,896</b>	<b>331,360</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	2,022	1,250
Accrued Payroll Taxes	8,387	14,227
Deferred Revenue		
Membership Dues	86,945	57,888
Total Current Liabilities	97,354	73,365
<b>Net Assets</b>		
Unrestricted - Undesignated	201,113	249,615
Temporarily Restricted	7,429	8,380
Total Net Assets	208,542	257,995
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 305,896</b>	<b>\$ 331,360</b>

The accompanying notes are an integral part of these statements.



**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED**

	<b>December 31,</b>	
	<b>2003</b>	<b>2002</b>
<b>Cash flow from Operating Activities:</b>		
Decrease in net assets	\$ (49,453)	\$ (40,576)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	25,060	24,406
Donated property, plant and equipment	-	(1,198)
Changes in current assets and liabilities:		
Accounts receivable	4,078	32,025
Contributions receivable	1,934	19,216
Prepaid expenses	4,100	(4,100)
Accounts payable	772	(3,800)
Accrued payroll taxes	(5,840)	7,738
Deferred revenue	29,057	(24,003)
Total Adjustments	59,161	50,284
Net cash provided by operating activities	9,708	9,708
<b>Cash flow from Investing Activities:</b>		
Decrease in investments	951	1,599
Purchase of equipment	(5,240)	(2,276)
Net cash used by investing activities	(4,289)	(677)
<b>Cash flow from financing activities:</b>		
Payment on capital lease payable	-	(3,878)
Net cash used by financing activities:	-	(3,878)
<b>Net increase in cash and cash equivalents</b>	5,419	5,153
<b>Cash and cash equivalents - beginning of year</b>	57,647	52,494
<b>Cash and cash equivalents - end of year</b>	\$ 63,066	\$ 57,647

(Continued)

The accompanying notes are an integral part of these statements.

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF CASH FLOWS (CONCLUDED)**  
**FOR THE YEARS ENDED**

	<b>December 31,</b>	
	<b>2003</b>	<b>2002</b>
<b>Supplemental disclosures</b>		
<b>Noncash operating activities:</b>		
Trade-outs received for membership dues	5,250	4,915
Trade-outs received for business showcase sponsorships	3,200	-
Trade-outs received for banquet tickets and sponsorships	1,490	-
Trade-outs received for golf tournaments teams	1,800	-
Trade-outs received for website advertising	500	-
Trade-outs used in economic development	(3,200)	-
Trade-outs used in membership development	(1,490)	(645)
Trade-outs use in fund raising	(2,175)	(925)
Trade-outs used in management and general	(5,375)	(3,345)
Total noncash operating activities	\$ -	\$ -
<b>Noncash investing activities:</b>		
Receipt of donated furniture, fixtures and equipment	\$ -	\$ 1,198
<b>Interest Paid</b>	\$ -	\$ 226

**WEST MONRE – WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

**Note 1 - Summary of Significant Accounting Policies**

*A. Organization*

The West Monroe Chamber of Commerce, Inc. was incorporated under the laws of the State of Louisiana in March 1956, for the purpose of providing opportunities conducive to stable economic growth to enhance the quality of life for the citizens of the area. Due to the tremendous population growth throughout west Ouachita Parish, in 1986 the Board of Director's deemed it feasible to change the name to the West Monroe – West Ouachita Chamber of Commerce, Inc. (the Chamber). The Chamber receives dues for membership principally from businesses and individuals located in the City of West Monroe, Louisiana, and western Ouachita Parish.

*B. Basis of Presentation and Accounting*

The accompanying financial statements present activity only for the general operating cash accounts of the Chamber. Accordingly, accounts administered for and on behalf of outside parties are not presented.

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations*.

The financial statements of the Chamber are presented as recommended by the Financial Accounting Standards Board in Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Chamber is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2003 and 2002, there were no permanently restricted net assets.

*C. Investments*

Investments (consisting of certificates of deposit) are stated at amortized cost, which approximates market value. For the purpose of the statement of cash flows, the Chamber considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

*D. Contributions*

The Chamber has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received



**WEST MONRE – WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

*E. Property and Equipment*

The Chamber capitalizes all expenditures for property and equipment in excess of \$300. Purchased property and equipment are carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. Estimated useful lives are generally as follows: Buildings, 20 years; Furniture & Fixtures, 7 years; Equipment, 5-7 years; and Building Improvements, 7-10 years. Depreciation expense in 2003 and 2002 was \$25,060 and \$24,406, respectively.

*F. Tax Status*

The Chamber has qualified as an organization exempt from federal income taxes pursuant to Section 501(c)(6) of the Internal Revenue Code; therefore, there is no provision for income taxes in the accompanying financial statements.

*G. Net Assets*

Temporarily restricted net assets represent funds restricted by the donors for the Adopt-A-School program and for education and business college scholarships. As the Chamber expends these funds the restrictions are removed and these amounts are reclassified to unrestricted net assets.

Net assets included on the Statement of Financial Position include only those assets considered for use by the Chamber in support of its mission. The Chamber administers the scholars' banquet for a foundation consisting of the Junior League of Monroe, Monroe Chamber of Commerce, NewsStar World Publishing Company, Bank One, and the Chamber. The following accounts are not included in the accompanying financial statement because they are neither owned nor controlled by the Chamber.

Scholar's Banquet CD

Scholar's Banquet Checking

*H. Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the relevant period. Actual results could differ from the estimates.

**WEST MONRE – WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

**Note 3 - Contributions Receivable**

Contributions receivable represent unconditional promises to give by donors. All contributions are expected to be collected during the next fiscal year and are recorded at their net realizable value. These pledges were restricted to payment of debt incurred for the purchase of an office building. During 2003 and 2002 the Chamber received \$2,434 and \$19,216, respectfully.

**Note 4 - Deferred Revenues**

The Chamber bills its membership for dues on the member's anniversary date. Deferred revenue represents amounts billed during the current year for membership dues that are not earned until the following year.

**Note 5 - Employee Benefit Plan**

The Chamber provides a defined contribution retirement plan for eligible employees. To participate in the plan, employees must be at least 21 years of age and have provided one year of service. The Chamber contributes 5% of each participating employee's earnings. Employees may contribute 1% to 10% of their earnings on an after-tax basis. The Chamber contributed \$6,729 in 2003 and \$8,032 in 2002.

**Note 6 - Capital Lease**

During the year 1999, the Chamber leased a copy machine from Mita Copystar America, Inc. under a capital lease. The economic substance of the lease is that the Chamber is financing its acquisition through the lease and accordingly, it is recorded in the Chamber's assets and liabilities. The leased asset is included in Property, Plant and Equipment at \$14,326. The lease was paid off during 2002 and the Chamber exercised its option to purchase the copier.

The Chamber paid \$226 in interest on the capital lease during 2002.

Amortization of the equipment that is held under the capital lease is included in depreciation expense.

**SUPPLEMENTARY INFORMATION**



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**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**Board of Directors  
West Monroe – West Ouachita  
Chamber of Commerce, Inc**

We have audited the financial statements of the **West Monroe-West Ouachita Chamber of Commerce, Inc** (the Chamber) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 9, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Compliance**

As part of obtaining reasonable assurance about whether the Chamber's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Chamber's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over the financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be

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**Board of Directors  
West Monroe – West Ouachita  
Chamber of Commerce, Inc**

detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of management of the Chamber, other entities granting funds to the Chamber and the Legislative Auditor of the State of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



**(A Professional Accounting Corporation)**

**April 9, 2004**

**WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**SUMMARY STATUS OF PRIOR YEAR FINDINGS**  
**DECEMBER 31, 2003**

**1. Cash Receipts and Membership Billing**

***Finding:***

There was a lack of internal controls over the handling of cash receipts and membership billings.

***Status:***

The mail is now received and opened by the receptionist and a copy is made of all the checks received. The copy includes from whom the check is received, the check number, and the amount of the check. The copies are given to the President and the checks are given to the business services coordinator to post in the membership database.

After the checks are posted in the membership database, the business service coordinator prints out a cash receipts journal. The posted checks and the cash receipts journal are given to the President who compares them to the copies from the receptionist to ensure that all checks are accounted for.

The President posts the checks to Quickbooks and makes out the deposit in duplicate. In addition, the President reviews the monthly statements before they are mailed.

**2. Controls over Disbursements**

***Finding:***

Controls over cash disbursements are concentrated in the hands of one individual.

***Status:***

In order to ensure that no invalid disbursements are made the Chamber will reinstate the policy that all checks will require two signatures including payroll checks. All checks signers will review the invoices before signing the check signifying they understand their control function. In addition, the bank statement is given to the accounting firm for reconciliation.