

Chamber of Southwest Louisiana

COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Boards of Directors
Chamber of Southwest Louisiana
Southwest Louisiana Alliance Foundation, Inc.
Lake Charles, Louisiana

Opinion

We have audited the accompanying combined statements of assets, liabilities, and net assets - cash basis of the Chamber of Southwest Louisiana and the Southwest Louisiana Alliance Foundation, Inc. (the Chamber) (nonprofit organizations) as of December 31, 2023 and 2022, and the related combined statements of revenue, expenses, and other changes in net assets – cash basis and combined statements of functional expenses – cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined assets, liabilities, and net assets of the Chamber, as of December 31, 2023 and 2022, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

Basis for Opinion

We conducted our audits in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Chamber of Southwest Louisiana and the Southwest Louisiana Alliance Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 generally accepted auditing standards 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 generally accepted auditing standards 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 on the effectiveness of the Organization'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 the Organization'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining financial statements and the schedule of compensation, benefits, and other payments to agency head or chief executive officer listed as supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of the Chamber. 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the 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 18, 2024, on our consideration of the Chamber'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 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 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 the Chamber's internal control over financial reporting and compliance.



Lake Charles, Louisiana

June 18, 2024

**The Chamber of Southwest Louisiana
COMBINED STATEMENTS OF ASSETS,
LIABILITIES, AND NET ASSETS - CASH BASIS
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,604,945	\$ 2,305,676
Restricted cash	<u>492,903</u>	<u>489,989</u>
Total Current Assets	3,097,848	2,795,665
PROPERTY AND EQUIPMENT		
Furniture, fixtures, and equipment	424,003	416,157
Accumulated depreciation	<u>(404,402)</u>	<u>(399,157)</u>
Net Property and Equipment	<u>19,601</u>	<u>17,000</u>
 TOTAL ASSETS	 <u>\$ 3,117,449</u>	 <u>\$ 2,812,665</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll liabilities	<u>\$ 11,183</u>	<u>\$ 11,473</u>
Total Current Liabilities	11,183	11,473
NET ASSETS		
Without donor restrictions	3,018,281	2,622,337
With donor restrictions	<u>87,985</u>	<u>178,855</u>
Total Net Assets	<u>3,106,266</u>	<u>2,801,192</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,117,449</u>	 <u>\$ 2,812,665</u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND
OTHER CHANGES IN NET ASSETS - CASH BASIS
Years Ended December 31, 2023 and 2022

	<u>2023</u>			<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support, and Gains						
Membership dues	\$ 788,914	\$ -	\$ 788,914	\$ 711,051	\$ -	\$ 711,051
SWLA on the Move Campaign	743,555	-	743,555	754,909	-	754,909
Programs (including revenues of nonfinancial assets of \$122,069 for the year ending December 31, 2023 and \$92,590 for the year ending December 31, 2022)	654,697	30,000	684,697	499,385	118,750	618,135
Rental income	180,981	-	180,981	188,642	-	188,642
Grants	375,715	-	375,715	499,938	-	499,938
Interest income	17,266	-	17,266	2,679	-	2,679
Total Revenue and Gains	<u>2,761,128</u>	<u>30,000</u>	<u>2,791,128</u>	<u>2,656,604</u>	<u>118,750</u>	<u>2,775,354</u>
Net Assets Released from Restrictions	<u>120,870</u>	<u>(120,870)</u>	<u>-</u>	<u>131,579</u>	<u>(131,579)</u>	<u>-</u>
Total Revenue, Support, and Gains	<u>2,881,998</u>	<u>(90,870)</u>	<u>2,791,128</u>	<u>2,788,183</u>	<u>(12,829)</u>	<u>2,775,354</u>
Expenses						
Program service	2,251,009	-	2,251,009	2,391,627	-	2,391,627
Management and general	182,534	-	182,534	164,895	-	164,895
Fundraising	52,511	-	52,511	55,023	-	55,023
Total Expenses	<u>2,486,054</u>	<u>-</u>	<u>2,486,054</u>	<u>2,611,545</u>	<u>-</u>	<u>2,611,545</u>
Increase (Decrease) in Net Assets	<u>395,944</u>	<u>(90,870)</u>	<u>305,074</u>	<u>176,638</u>	<u>(12,829)</u>	<u>163,809</u>
Net Assets at Beginning of Year	<u>2,622,337</u>	<u>178,855</u>	<u>2,801,192</u>	<u>2,445,699</u>	<u>191,684</u>	<u>2,637,383</u>
Net Assets at End of Year	<u>\$ 3,018,281</u>	<u>\$ 87,985</u>	<u>\$ 3,106,266</u>	<u>\$ 2,622,337</u>	<u>\$ 178,855</u>	<u>\$ 2,801,192</u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS
Years Ended December 31, 2023 and 2022

	<u>2023</u>				<u>2022</u>			
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 217,411	\$ -	\$ -	\$ 217,411	196,501	-	-	\$ 196,501
Auto	20,688	2,299	-	22,987	23,097	2,566	-	25,663
Depreciation	4,720	524	-	5,244	3,631	404	-	4,035
Dues and subscriptions	11,833	-	-	11,833	18,100	-	-	18,100
Employee training	13,644	1,516	-	15,160	14,225	1,581	-	15,806
Employee benefits	122,892	19,460	6,496	148,848	118,439	15,392	4,433	138,264
Insurance	11,556	1,284	-	12,840	12,792	1,421	-	14,213
Office	96,767	10,752	-	107,519	100,098	11,122	-	111,220
Outside service	8,755	-	-	8,755	-	-	15,000	15,000
Payroll taxes	60,666	9,606	3,207	73,479	61,087	7,813	2,131	71,031
Professional fees	33,165	3,685	-	36,850	30,060	3,340	-	33,400
Program expenses (Note D)	700,248	-	-	700,248	765,994	-	-	765,994
Rent	119,495	3,476	-	122,971	131,685	3,476	-	135,161
Salaries	809,804	128,229	42,808	980,841	894,012	116,186	33,459	1,043,657
Travel	4,034	-	-	4,034	7,562	-	-	7,562
Telephone	15,331	1,703	-	17,034	14,344	1,594	-	15,938
TOTAL EXPENSES	<u>\$2,251,009</u>	<u>\$ 182,534</u>	<u>\$ 52,511</u>	<u>\$2,486,054</u>	<u>\$2,391,627</u>	<u>\$ 164,895</u>	<u>\$ 55,023</u>	<u>\$2,611,545</u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The accompanying financial statements reflect the combined financial statements of the Chamber of Southwest Louisiana (the Chamber) and the Southwest Louisiana Economic Development Alliance (the Alliance). The nominating committee of the Chamber elects the board of directors of the Chamber. The board of directors for the Alliance includes the Chamber board of directors along with other elected officials. The Chamber and the Alliance share a common Executive Director, facilities, and personnel. Material inter-organization transactions and balances have been eliminated.

Nature of Activities

The combined financial statements include the accounts of the Chamber of Southwest Louisiana and the Southwest Louisiana Economic Development Alliance.

The Chamber of Southwest Louisiana, a nonprofit organization incorporated under the laws of the State of Louisiana, is exempt from federal income tax under section 501(c) 6 of the Internal Revenue Code. The Chamber’s primary activity is acquiring members to promote ongoing regional development to cultivate a higher quality of life for all citizens. The Southwest Louisiana economic region served by the Chamber includes the parishes of: Calcasieu, Cameron, Beauregard, Allen and Jefferson Davis. The Organization’s major funding consists of membership dues and related program activities/function income.

Southwest Louisiana Alliance Foundation, Inc., a nonprofit organization incorporated under the laws of the State of Louisiana, is exempt from federal income tax under Section 501(c) 3 of the Internal Revenue Code. The Alliance’s primary activity is promoting the SWLA on the Move Campaign to further the economic welfare and development of the Southwest Louisiana region. It is an affiliate of the Chamber SWLA and is designed to supplement the industrial, business, and commercial development activities of that organization. The Organization’s major funding consists of campaign donor contributions, program activities, Business Incubator rental income, and cost reimbursement grants.

Basis of accounting

The Organization’s policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under GAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified cash basis, certain revenues and the related assets are recognized when received rather than when earned, and expenses and the purchase of assets are recognized when paid rather than when the obligation is incurred. Consequently, the Organization has not recognized receivables from various agencies and members or accounts payable to vendors and their related effects on earnings in the accompanying financial statements.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following net asset categories:

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 objectives of the Organization. These net assets may be used at the discretion of 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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Use of estimates

The preparation of financial statements for the Chamber requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes cash on hand, demand deposits, and all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment

It is the Chamber's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Assets donated with explicit restrictions regarding their use, as well as contributions of cash that must be used to acquire property and equipment, are reported as contributions with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Property and equipment are depreciated using the straight-line method with the following useful lives:

Furniture, fixtures, and equipment	3-7 years
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Depreciation expense for the years ending December 31, 2023 and 2022 was \$5,244 and \$4,035, respectively.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Support and Revenue

Contributions are recognized when the donation is received by the Organization that is, in substance, unconditional. 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed Materials and Services

Donated materials, supplies, and advertising are reflected in the financial statements at their estimated market values as determined by current prices at the date of receipt. \$122,069 has been included in revenues for year ending December 31, 2023 with a corresponding charge to the applicable expense. \$97,069 of the donated program revenue is related to expenses for specific events and \$25,000 was donated advertising for various programs. \$92,590 has been included in revenues for year ending December 31, 2022 with a corresponding charge to the applicable expense. \$63,640 of the donated program revenue is related to expenses for specific events and \$28,950 was donated advertising for various programs.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in these financial statements.

Advertising Costs

The Organization uses advertising to promote Southwest Louisiana in order to increase economic growth and quality of life for the region. Advertising costs are charged to operations when incurred. Total advertising costs for the years ended December 31, 2023 and 2022 amounted to \$217,411 and \$196,501, respectively.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. This requires the allocation of certain cost between programs and supporting services based on estimates made by management. The expenses that are allocated on the basis of estimates of time and effort include compensation and benefits, auto, depreciation, employee training and benefits, insurance, office, professional fees, rent, and telephone.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

Vacation, compensation time, and sick leave are recorded as expenditures of the period in which they are paid. Employees can carry over no more than 40 hours of paid time off from one calendar year to the next and can accrue no more than 80 hours unused leave in any three year period of service. Upon termination of employment, the employee will be paid for any unused paid time off. Employees are able to accrue 24 hours of unused sick leave from one calendar year to the next. However, there will be no payment of unused sick leave upon separation of employment.

NOTE B – LEASING ARRANGEMENTS

The Chamber entered into a lease agreement with McNeese State University for the SEED Center on May 17, 2013. The lease is effective until December 31, 2043. Minimum annual rent beginning the effective date of the lease is \$33,755. In accordance with the lease agreement, rent is adjusted annually to reflect lease operating costs. The total rent expense for the years ending December 31, 2023 and 2022 was \$34,563 and \$34,563, respectively.

The following is a schedule of future minimum rental payments required for the lease with McNeese State University as of December 31, 2023:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$33,755
2025	33,755
2026	33,755
2027	33,755
2028	33,755
Thereafter	<u>506,325</u>
	<u>\$675,100</u>

The Chamber has agreed to sublease a portion of the space it occupies in the SEED Center to the Imperial Calcasieu Regional Planning & Development Commission (IMCAL). The sublease expired on July 31, 2023 and has continued on a month to month basis. The total rental income for the years ending December 31, 2023 and 2022 from IMCAL was \$30,000 and \$30,000, respectively. The total rental expense to McNeese State University for this space for the years ending December 31, 2023 and 2022 was \$13,474 and \$13,474, respectively.

As part of the Business Incubator Program, the Chamber is responsible for establishing sublease rental rates for leasing out space to small businesses and providing specific assistance needed to help them grow into larger, more profitable businesses. Rent collected in 2023 and 2022 in connection with this program was \$123,381 and \$145,670, respectively. The lease agreement with McNeese State University established rental rates owed for space that is utilized for the Business Incubator Program. Rent paid in 2023 and 2022 in connection with this program was \$74,934 and \$87,124, respectively.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE C – RESTRICTIONS ON NET ASSETS

Board-Designated – The Chamber of Southwest Louisiana

In 2011, the Chamber sold their building and the Board of Directors approved the establishment of a board designated fund. The purpose of the fund is to segregate \$400,000 from the sale. There is no legal restriction requiring this, however it does require that the use of the funds will be decided by the Board of Directors. These funds were placed into separate checking accounts and the balance in these checking accounts as of December 31, 2023 and 2022 were \$413,797 and \$409,307.

Donor Restricted – The Chamber of Southwest Louisiana

The Chamber of Southwest Louisiana has donor restricted net assets to be used to promote and pursue any and all funding options for the construction of a new I-10 Bridge in Calcasieu Parish (Build Our Bridge). As of December 31, 2023 and 2022, the donor restricted balance of these funds were \$44,421 and \$46,008, respectively.

Donor Restricted - Southwest Louisiana Alliance Foundation, Inc.

The Foundation of Southwest Louisiana Alliance Foundation, Inc. has donor restricted net assets as of December 31, for the following purposes:

<u>Program/Purpose</u>	<u>2023</u>	<u>2022</u>
Leader in Me Program	\$13,564	\$13,564
Golf Tournament Sponsors	-	26,250
Other Special Events	-	36,533
Business Incubator	<u>30,000</u>	<u>56,500</u>
Total Donor Restricted Net Assets	<u>\$43,564</u>	<u>\$132,847</u>

NOTE D – PROGRAM SERVICES

Activity for the Organizations’ major program activities is reported on the cash basis of accounting and may differ from the actual results from each activity due to the timing of the event. Listed below, on the cash basis, is the activity for each program for the year ended December 31, 2023:

<u>Program/Event</u>	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net Activity</u>
Annual Banquet	\$187,837	\$97,978	\$89,859
Build Our Bridge	-	2,042	(2,042)
Business after Hours	8,595	2,446	6,149
Business Incubator	29,620	41,323	(11,703)
Chamber Day	14,025	10,138	3,887
Economic Development	84,053	201,673	(117,620)
Business Expo	44,025	23,629	20,396
Annual Golf Tournament	48,305	29,961	18,344
Leadership	65,250	51,371	13,879
LegisGator Luncheon	186,455	87,608	98,847

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE D – PROGRAM SERVICES - CONTINUED

<u>Program/Event</u>	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net Activity</u>
Public Policy	11,257	131,961	(120,704)
Women’s Business Network	5,275	3,173	2,102
COVID-19 Recovery Program	-	16,945	(16,945)
	<u>\$684,697</u>	<u>\$700,248</u>	<u>\$ (15,551)</u>

Activity for the Organizations’ major program activities is reported on the cash basis of accounting and may differ from the actual results from each activity due to the timing of the event. Listed below, on the cash basis, is the activity for each program for the year ended December 31, 2022:

<u>Program/Event</u>	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net Activity</u>
Annual Banquet	\$126,510	\$60,078	\$66,432
Build Our Bridge	-	28,728	(28,728)
Business after Hours	6,143	2,717	3,426
Business Incubator	55,949	48,616	7,333
Chamber Day	16,915	5,993	10,922
Economic Development	75,380	202,597	(127,217)
Business Expo	13,250	6,080	7,170
Annual Golf Tournament	95,709	30,209	65,500
Leadership	60,100	51,954	8,146
LegisGator Luncheon	160,029	120,707	39,322
Public Policy	5,990	110,796	(104,806)
Women’s Business Network	2,160	1,515	645
Site Certification Program	-	34,960	(34,960)
COVID-19 Recovery Program	-	61,044	(61,044)
	<u>\$618,135</u>	<u>\$765,994</u>	<u>\$(147,859)</u>

NOTE E – LIQUIDITY AND AVAILABILTY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2023</u>
Cash and cash equivalents	\$2,604,945
Restricted cash	<u>492,903</u>
Financial assets at year-end	3,097,848
Less those unavailable for general expenditures within one year due to:	
Board-designated funds	(413,797)
Donor-restricted for specific programs	<u>(87,985)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$2,596,066</u>

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE E – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - CONTINUED

	<u>2022</u>
Cash and cash equivalents	\$2,305,676
Restricted cash	<u>489,989</u>
Financial assets at year-end	2,795,665
Less those unavailable for general expenditures within one year due to:	
Board-designated funds	(409,307)
Donor-restricted for future projects	(118,750)
Donor-restricted for specific programs	<u>(60,105)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$2,207,503</u>

NOTE F – LINE OF CREDIT

As of December 31, 2023, pursuant to an agreement with Edward Jones, the Organization had available a \$67,585 revolving line of credit. The line is collateralized by the funds invested with Edward Jones. No borrowings occurred during 2023 or 2022.

NOTE G – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash accounts in commercial banks. Cash is secured by FDIC insurance up to \$250,000 at each financial institution. As of December 31, 2023 and 2022, cash balances totaling \$81,989 and \$43,897 exceeded FDIC coverage and therefore were uninsured.

The Organization receives a substantial amount of its support from governmental agencies, the SWLA on the Move campaign, and membership dues from entities located in the Southwest Louisiana area. A significant reduction in this support, if it were to occur, would affect the programs and activities.

NOTE H – RETIREMENT PLAN

The Organization makes available to eligible employees the opportunity to participate in a defined contribution retirement plan. The Organization matches employee contributions up to 5% of employee compensation. Retirement expense for the years ended December 31, 2023 and 2022 was \$20,538 and \$22,996, respectively.

NOTE I – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 18, 2024, the date when the financial statements were available to be issued.

**The Chamber of Southwest Louisiana
COMBINING STATEMENTS OF ASSETS,
LIABILITIES, AND NET ASSETS - CASH BASIS
December 31, 2023**

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 1,423,787	\$ 1,181,158	\$ -	\$ 2,604,945
Restricted cash	458,218	34,685	-	492,903
Property and equipment				
Furniture, fixtures, and equipment	61,631	362,372	-	424,003
Accumulated depreciation	<u>(57,636)</u>	<u>(346,766)</u>	<u>-</u>	<u>(404,402)</u>
	<u>3,995</u>	<u>15,606</u>	<u>-</u>	<u>19,601</u>
TOTAL ASSETS	<u>\$ 1,886,000</u>	<u>\$ 1,231,449</u>	<u>\$ -</u>	<u>\$ 3,117,449</u>
LIABILITIES				
Payroll liabilities	<u>\$ 11,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,183</u>
Total Liabilities	11,183	-	-	11,183
NET ASSETS				
Without donor restrictions	1,830,396	1,187,885	-	3,018,281
With donor restrictions	<u>44,421</u>	<u>43,564</u>	<u>-</u>	<u>87,985</u>
Total Net Assets	<u>1,874,817</u>	<u>1,231,449</u>	<u>-</u>	<u>3,106,266</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,886,000</u>	<u>\$ 1,231,449</u>	<u>\$ -</u>	<u>\$ 3,117,449</u>

See Independent Auditors' Report

**The Chamber of Southwest Louisiana
 COMBINING STATEMENTS OF REVENUES, EXPENSES,
 AND OTHER CHANGES IN NET ASSETS - CASH BASIS
 For the year ended December 31, 2023**

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Eliminations	Total
REVENUES				
Membership dues	\$ 788,914	\$ -	\$ -	\$ 788,914
SWLA on the Move campaign	-	743,555	-	743,555
Programs	552,900	131,797	-	684,697
Rental income	-	180,981	-	180,981
Grants	-	375,715	-	375,715
Interest income	12,266	5,000	-	17,266
Total revenues	<u>1,354,080</u>	<u>1,437,048</u>	-	<u>2,791,128</u>
EXPENSES				
Total expenses	<u>1,224,051</u>	<u>1,262,003</u>	-	<u>2,486,054</u>
Change in net assets	130,029	175,045	-	305,074
Net assets at beginning of year - Cash Basis	<u>1,744,788</u>	<u>1,056,404</u>	-	<u>2,801,192</u>
Net assets at end of year - Cash Basis	<u>\$ 1,874,817</u>	<u>\$ 1,231,449</u>	<u>\$ -</u>	<u>\$ 3,106,266</u>

See Independent Auditors' Report

The Chamber of Southwest Louisiana
COMBINING STATEMENTS OF EXPENSES - CASH BASIS
For the year ended December 31, 2023

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Eliminations	Total
Advertising	\$ 67,821	\$ 149,590	\$ -	\$ 217,411
Auto	19,731	3,256	-	22,987
Depreciation	1,288	3,956	-	5,244
Dues and subscriptions	7,024	4,809	-	11,833
Employee training	8,310	6,850	-	15,160
Employee benefits	85,404	63,444	-	148,848
Insurance	7,504	5,336	-	12,840
Office	60,619	46,900	-	107,519
Outside service	-	8,755	-	8,755
Payroll taxes	38,981	34,498	-	73,479
Professional fees	15,950	20,900	-	36,850
Program expenses (Note D)	402,625	297,623	-	700,248
Rent	21,788	101,183	-	122,971
Salaries	472,512	508,329	-	980,841
Travel	3,616	418	-	4,034
Telephone	10,878	6,156	-	17,034
	<u>\$ 1,224,051</u>	<u>\$ 1,262,003</u>	<u>\$ -</u>	<u>\$ 2,486,054</u>

See Independent Auditors' Report

The Chamber of Southwest Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the Year ended December 31, 2023

AGENCY HEAD NAME: George Swift, Executive Director

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$162,681
Benefits	
Insurance	9,345
Retirement	9,932
Car Allowance	7,200
Fuel Purchases	2,023
Conference Travel	<u>18,562</u>
TOTAL	<u><u>\$209,743</u></u>

INDEPENDENT AUDITORS' 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*

To the Boards of Directors
Chamber of Southwest Louisiana
Southwest Louisiana Alliance Foundation, Inc.
Lake Charles, Louisiana

We have audited, in accordance with 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, the combined financial statements of the Chamber of Southwest Louisiana and the Southwest Louisiana Alliance Foundation, Inc. (the Chamber) (nonprofit organizations), which comprise of the combined statements of assets, liabilities, and net assets - cash basis as of December 31, 2023 and 2022, and the related combined statements of revenue, expenses, and other changes in net assets – cash basis and combined statements of functional expenses – cash basis for the years then ended, and the related notes to the financial statements, and have issued our report thereon, dated June 18, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Chamber's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control. Accordingly, we do not express an opinion of the effectiveness of the Chamber'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 a 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 or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-1 and 2023-2 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chamber's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Chamber's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Chamber's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Chamber's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Charles, Louisiana
June 18, 2024

Chamber of Southwest Louisiana
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Section I – Summary of Auditors’ Results
December 31, 2023

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes None Reported
- Noncompliance material to financial statements noted? yes no

Section II – Financial Statement Findings

Current Audit
2023-1

Account Reconciliations

Criteria: An adequate system of internal controls includes monthly reconciliations of all material Balance Sheet accounts.

Condition: During our audit, we discovered that the Organization was not preparing monthly reconciliations for the material Balance Sheet accounts.

Effect: Inaccurate monthly accounting information could be reported to the Board of Directors. Inaccurate annual accounting information could also be reported.

Recommendation: We recommend the Organization perform monthly reconciliations of all material Balance Sheet accounts and investigate discrepancies. The reconciliations should also be reviewed and approved by a manager or board member.

Response: The Organization will perform monthly reconciliations of all material balance sheet accounts and investigate any discrepancies. The reconciliations will also be reviewed and approved by the board treasurer.

SCHEDULE OF FINDINGS AND RESPONSES

2023-2 Invoice Approval Documentation

Criteria: The Organization's written policies and procedures regarding cash disbursements require an approved check request.

Condition: During our audit, we discovered 22 disbursements totaling \$102,317 did not include an approved check request with the supporting detail for the cash disbursement.

Effect: The Organization paid invoices without proper documentation of approval.

Recommendation: We recommend the Organization follow the written policies and procedures by properly documenting approval of paid invoices.

Response: The Organization will ensure all cash disbursements are approved prior to payment and the supporting detail includes the necessary approval documentation.

Prior Audit

2022-1 Account Reconciliations

Condition: During our audit, we discovered that the Organization was not preparing monthly reconciliations for the material Balance Sheet accounts.

Effect: Inaccurate monthly accounting information could be reported to the Board of Directors. Inaccurate annual accounting information could also be reported.

Response: The Organization will perform monthly reconciliations of all material balance sheet accounts and investigate any discrepancies. The reconciliations will also be reviewed and approved by the board treasurer.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Chamber of Southwest Louisiana and the Southwest Louisiana Alliance Foundation, Inc. (Collectively "the Chamber") 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, 2023 through December 31, 2023. The Chamber 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, 2023 through December 31, 2023. 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 that 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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

- iii. ***Disbursements***, including processing, reviewing, and approving.

We performed the procedure above and noted no exceptions.

- 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).
We performed the procedure above and noted no exceptions.
- 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(s) rate of pay or approval and maintenance of pay rate schedules.
We performed the procedure above and noted no exceptions.
- 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.
We performed the procedure above and noted no exceptions.
- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
We performed the procedure above and noted no exceptions.
- viii. **Credit Cards (and debit cards, fuel cards, P-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).
We performed the procedure above and noted no exceptions.
- 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.
The Entity is a Nonprofit Organization and therefore the Ethics requirements are not applicable.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
The Entity has no long term debt and does not maintain a written debt service policy.
- 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.
We performed the procedure above and noted no exceptions.

- 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.

The Entity is a Nonprofit Organization and therefore the Prevention of Sexual Harassment requirements are not applicable.

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 that 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. *Alternately, for those entities reporting on the nonprofit 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.

We performed the procedures above and noted no exceptions.

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 evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

We performed the procedures above and noted no exceptions.

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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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 that are responsible for cash collections do not share cash drawers/registers.
 - ii. Each employee responsible for collecting cash is not 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 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.
 - 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, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

We performed the procedures above and noted no exceptions.

- 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 enforced during the fiscal period.

We performed the procedures above and noted no exceptions.

- 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). 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.

We performed the procedures above and noted no exceptions.

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 #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, 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/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.
 - 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.

We performed the procedures above and noted no exceptions.

- C. For each location selected under #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 that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

We performed the procedures above and noted the following exception:

<u>Payee</u>	<u>Amount</u>	<u>Exception Noted</u>
Cornett Publishing	\$6,000	Check Request was not approved

- 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.

We performed the procedures above and noted no exceptions.

Management's response:

5Ci: Management will ensure all disbursements have an approved Check Request as per the Entity's Policy and Procedures.

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 person 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

We performed the procedure above and noted no exceptions.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

We performed the procedure above and noted no exceptions.

- C. Using the monthly statements or combined statements selected under #6B 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 (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We performed the procedures above and noted no exceptions.

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, 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.

We performed the procedures above and noted no exceptions.

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. 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.

We performed the procedures above and noted no exceptions.

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 #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 that 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 that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

We performed the procedures above and noted no exceptions.

- 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

10) Ethics

The Entity is a Nonprofit Organization and therefore the Ethics requirements are not applicable.

11) Debt Service

These procedures are not applicable to the entity. The entity did not have any debt outstanding during 2023.

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.

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

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 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 no written documentation, 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.

We performed the procedures above and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures above and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedures above and discussed the results with management.

14) Prevention of Sexual Harassment

The Entity is a Nonprofit Organization and therefore the Prevention of Sexual Harassment requirements are not applicable.

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 cursive script that reads "Stulb & Associates".

Lake Charles, Louisiana

June 18, 2024