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

Financial Statements

**As of and for the Year Ended December 31, 2004
With Supplemental Information Schedules**

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 7-13-05

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 – 2
Financial Statements:	
Combined Statement of Financial Position	3
Combined Statement of Activities	4
Combined Statement of Functional Expenses	5 – 6
Combined Statement of Cash Flows	7
Notes to Financial Statements	8 – 15
Combining Schedules:	
Combining Schedule of Financial Position	16
Combining Schedule of Activities	17
Report on Compliance and on Internal Control Over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	18 – 19
Summary Schedule of Audit Findings	20

COOK & MOREHART

Certified Public Accountants

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Independent Auditors' Report

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

We have audited the accompanying combined statement of financial position of the Greater Shreveport Chamber of Commerce as of December 31, 2004, and the related combined statements of activities, functional expenses and cash flows for the year then ended. These combined financial statements are the responsibility of the Greater Shreveport Chamber of Commerce'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Greater Shreveport Chamber of Commerce as of December 31, 2004, and the changes in its net assets and its cash flows for the year 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 28, 2005 on our consideration of the Greater Shreveport Chamber of Commerce's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

The accompanying supplemental schedules shown on pages 16–17 are presented for the purpose of additional analysis and are not a required part of the financial statements of the Greater Shreveport Chamber of Commerce. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook and Morehart
Certified Public Accountants
April 28, 2005

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Financial Position
December 31, 2004
(with comparative amounts for 2003)

Assets	2004	2003
Current assets:		
Cash and cash equivalents	\$ 1,492,505	\$ 877,660
Grant receivable	32,367	11,442
Other receivables	84,806	103,394
Unconditional promises to give	128,834	158,684
Prepaid expenses	55,782	32,837
Total current assets	1,794,294	1,184,017
Noncurrent assets:		
Cash held in escrow for land development	71,550	495,000
Unconditional promises to give	147,782	288,260
Investment held for endowment purposes	331,988	335,607
Land held for development	1,850,431	1,945,796
Property and equipment, net	795,745	826,598
Total noncurrent assets	3,197,496	3,891,261
Total Assets	\$ 4,991,790	\$ 5,075,278
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 312,772	\$ 202,390
Deferred revenue	129,503	85,417
Total current liabilities	442,275	287,807
Other Liabilities		495,000
Total liabilities	442,275	782,807
Net assets		
Unrestricted:		
Operating	1,178,913	643,148
Designated	115,866	94,424
Fixed assets	795,745	826,598
Land held for industrial park	1,850,431	1,945,796
Temporarily restricted	315,761	489,706
Permanently restricted	292,799	292,799
Total net assets	4,549,515	4,292,471
Total Liabilities and Net Assets	\$ 4,991,790	\$ 5,075,278

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Activities
For the Year Ended December 31, 2004
(with comparative amounts for 2003)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2004	2003
Revenues, gains, support and reclassifications:					
Membership dues	\$ 702,371	\$	\$	\$ 702,371	\$ 691,057
Programs and projects	224,131			224,131	324,230
Rent and royalties	407,045			407,045	429,549
Grants and contracts	415,354			415,354	464,657
Publication sales	13,213			13,213	15,092
Contributions and donations	416,701	28,450		445,151	971,866
Interest and dividends	12,153			12,153	15,566
Investment return	14,904			14,904	15,890
Miscellaneous	10,018			10,018	30,930
Net assets released from restrictions					
Satisfaction of program restrictions	202,395	(202,395)			
	<u>2,418,285</u>	<u>(173,945)</u>		<u>2,244,340</u>	<u>2,958,837</u>
Total revenues, gains, support and reclassifications					
Expenses:					
Supporting services					
General and administrative	669,852			669,852	675,090
Marketing and fund raising	137,825			137,825	113,870
Programs services					
Public relations	19,680			19,680	22,728
Government relations	199,723			199,723	192,822
Membership services	362,812			362,812	396,427
Economic development	824,782			824,782	1,097,148
Government procurement center	181,643			181,643	184,317
	<u>2,396,317</u>			<u>2,396,317</u>	<u>2,682,402</u>
Total expenses					
Change in net assets, before extraordinary item	21,968	(173,945)		(151,977)	276,435
Extraordinary item - sale of land held for development, net of loss on sale	409,021			409,021	
Change in net assets, after extraordinary item	430,989	(173,945)		257,044	276,435
Net assets, beginning of year	3,509,966	489,706	292,799	4,292,471	4,016,036
Net assets, end of year	<u>\$ 3,940,955</u>	<u>\$ 315,761</u>	<u>\$ 292,799</u>	<u>\$ 4,549,515</u>	<u>\$ 4,292,471</u>

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Functional Expenses
For the Year Ended December 31, 2004
(with comparative amounts for 2003)

	Support Services		Program Services						Totals		
	General and Administrative	Marketing and Fund Raising	Total	Public Relations	Government Relations	Membership Services	Economic Development	Government Procurement Center	Total		
Salaries and commissions	\$ 311,757	\$	\$ 311,757	\$	\$ 104,656	\$ 177,389	\$ 236,211	\$ 108,695	\$ 626,951	\$ 938,708	\$ 1,025,818
Payroll taxes	17,588		17,588		8,586	14,081	17,298	8,777	48,742	66,330	67,274
Pension expense	20,589		20,589		8,662	14,077	10,430	6,662	39,831	60,420	82,236
Other employee benefits	17,006		17,006		9,470	17,642	19,635	9,078	55,825	72,831	81,518
Advertising	1,090		1,090			22,773	196,883		219,656	220,746	277,075
Liability insurance	28,178		28,178							28,178	29,822
Building rent											4,500
Office supplies	10,289		10,289		463	3,481	1,011	7,669	12,624	22,913	14,956
Periodicals and dues	8,772		8,772		1,270	9,596	4,739	750	16,355	25,127	26,240
Postage	5,279		5,279		248	18,226	961	1,520	18,955	24,234	26,771
Professional expense	12,910		12,910				52,759		52,759	65,669	129,202
Photocopy and printing	148		148		96	10,641	553	930	12,220	12,368	44,006
Travel	2,717		2,717		36,750	3,924	22,398	10,230	73,302	76,019	59,712
Members/prospect development	1,485		1,485				2,475		2,475	3,960	86,683
Luncheons and receptions	10,622		10,622		5,205	4,285	8,572	7,950	26,012	36,634	33,321
Contract labor					1,952	318	2,395	3,014	7,679	7,679	30
Equipment replacement	9,776		9,776		207	2,414	244	11,146	11,597	21,373	29,251
Professional development	2,759		2,759		2,426		8,537	1,750	15,127	17,886	11,028
Repairs and maintenance	20,997		20,997							20,997	23,389
Custodial expenses	27,367		27,367							27,367	16,601

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Functional Expenses
For the Year Ended December 31, 2004
(with comparative amounts for 2003)
(Continued)

	Support Services		Program Services						Totals		
	General and Administrative	Marketing and Fund Raising	Total	Public Relations	Government Relations	Membership Services	Economic Development	Government Procurement Center	Total		
Telephone	8,633		8,633		3,655	5,173	7,430	2,654	18,912	2004	2003
Utilities	24,723		24,723						24,723	24,723	21,558
Miscellaneous	15,182	26	15,188		16,077	23,274	115,970	818	156,139	171,327	105,510
Annual meeting expenses						29,770			29,770	29,770	43,804
Board projects	1,356		1,356						1,356	1,356	3,761
Website and electronic communications						7,748			7,748	7,748	14,489
Leadership programs				19,680					19,680	19,680	22,728
Women's business council	22,362		22,362						22,362	22,362	27,680
Minority business council	59,713		59,713						59,713	59,713	59,863
Special events		38,101	38,101				45,881		45,881	83,982	64,780
Reserve for bad debts		99,698	99,698						99,698	99,698	127,120
I-49 expenses							20,000		20,000	20,000	20,000
Hispanic business council	846		846						846	846	1,453
Science & technology council							50,400		50,400	50,400	12
Depreciation	27,728		27,728						27,728	27,728	75,526
Total expenses	\$ 669,852	\$ 137,825	\$ 807,677	\$ 19,680	\$ 199,723	\$ 362,812	\$ 824,782	\$ 181,643	\$ 1,588,640	\$ 2,396,317	\$ 2,682,402

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Cash Flows
For the Year Ended December 31, 2004
(with comparative amounts for 2003)

	2004	2003
Operating Activities		
Changes in net assets	\$ 257,044	\$ 276,435
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	78,128	75,526
Unrealized loss on investment	3,088	1,919
Loss on disposal of equipment	4,205	
Loss on sale of land held for development	14,431	
(Increase) decrease in operating assets:		
Accrued interest receivable		3,618
Grants receivable	(20,925)	
Other receivables	18,588	(55,822)
Unconditional promises to give	170,328	(323,716)
Prepaid expenses	(22,945)	(13,890)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	110,382	42,818
Deferred revenue	44,086	(9,044)
Other liabilities	(495,000)	
Investment return restricted for investment in endowment	530	(4,774)
Net cash provided (used) by operating activities	161,940	(6,930)
Investing Activities		
Payments received on note receivable		135,680
Release of restrictions on cash held in escrow	423,450	
Payments for property and equipment	(51,480)	(104,267)
Development costs for land held for development	(4,244)	
Proceeds from sale of land held for development	85,179	(14,470)
Net cash provided by investing activities	452,905	16,943
Net increase in cash and cash equivalents	614,845	10,013
Cash and cash equivalents as of beginning of year	877,660	867,647
Cash and cash equivalents as of end of year	\$ 1,492,505	\$ 877,660

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2004

(1) Summary of Significant Accounting Policies

A. Principles of Combination

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

B. Nature of Activities

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

General fund – accounts for the general operations and activities of the Chamber.

Minority Business Council & Women’s Business Council – provide professional programs that inform women and minorities in business about current business conditions.

I-49 North Coalition – raise money to lobby for the completion of I-49 to Arkansas-Louisiana state line.

Greater Shreveport Economic Development Foundation, Inc. – This is a non-profit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. Activities within this entity are primarily related to economic development and education.

Greater Shreveport Industrial Park Development Foundation, Inc. – This is a non-profit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. Activities within this entity are primarily related to industrial park development.

C. Basis of Accounting

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

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2004
(Continued)

D. Use of Estimates

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

E. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization 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.

F. Deferred Revenue

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

G. Cash and Cash Equivalents

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

H. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise to give is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

I. Investments

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

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2004
(Continued)

J. Property and Equipment

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

K. Restricted and Unrestricted Revenue and Support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

L. Advertising Costs

The Chamber uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. During 2004, advertising costs totaled \$ 220,746. The Chamber was reimbursed \$255,000 under a contract with the City of Shreveport to plan and implement a comprehensive marketing program to recruit new businesses, encourage job growth in primary growth industries, promote the entertainment industry for downtown Shreveport, and enhance the area economy.

M. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Chamber's financial statements for the year ended December 31, 2003, from which the summarized information was derived.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2004
(Continued)

(2) Concentrations of Credit Risk

Concentrations of credit risk with respect to promises to give are limited due to the large number of contributors comprising the Chamber's contributor base and their dispersion across different industries. As of December 31, 2004, the Chamber had no significant concentrations of credit risk in relation to promises to give.

The Chamber maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2004, total cash balances held at financial institutions was \$1,599,963. Of this amount, \$458,064 was secured by FDIC and the remaining \$1,141,899 was not insured.

(3) Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Cash, non-interest bearing	\$ 100,864
Cash, interest bearing, daily simple interest	1,370,604
Certificates of deposit	<u>21,037</u>
	<u>\$ 1,492,505</u>

The certificate of deposit bears interest at 2.03% and has a maturity of 201 days, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. Therefore, the certificate of deposit is treated as a cash equivalent.

(4) Grants Receivable

The Chamber receives a federal grant that provides reimbursement of allowable costs under contract. This balance represents amounts due from the funding agency at December 31, 2004, but not received until after that date.

(5) Other Accounts Receivable

The other accounts receivable balance at December 31, 2004 is comprised of membership dues, riverboat boarding fees, and other miscellaneous amounts due at December 31, 2004 but not received until after that date. The other accounts receivable are shown net of a reserve for uncollectible accounts of \$45,542.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2004
 (Continued)

(6) Promises to Give

The Chamber began a new economic development campaign in 2003 entitled Champions for Business 2. Promises to give are restricted to payment of costs associated with economic development projects and projects supporting the economic growth of Shreveport and Northwest Louisiana.

Unconditional promises to give at December 31, 2004 as follows:

Receivable in less than one year	\$ 210,930
Less allowance for uncollectible promises	<u>(82,096)</u>
Net current	128,834
Receivable in one to five years	161,350
Less discount on promises	<u>(13,568)</u>
Net long-term	<u>147,782</u>
Net unconditional promises to give at December 31, 2004	<u>\$ 276,616</u>

(7) Investment Held for Endowment Purposes

Investments as of December 31, 2004 consisted of the following:

	2004	
	Fair Value	Cost
Money fund	\$ 12,557	\$ 12,557
Corporate bonds	<u>319,431</u>	<u>310,286</u>
	<u>\$ 331,988</u>	<u>\$ 322,843</u>

Investment return for the year ended December 31, 2004 was \$14,904, which consisted of \$17,992 interest and dividends and \$3,088 unrealized loss.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2004
 (Continued)

(8) Property and Equipment

Property and equipment at December 31, 2004, with estimated depreciable life, are summarized as follows:

Land	N/A	\$ 100,000
Leasehold Improvements	30 years	1,247,382
Furniture, fixtures, equipment	5-10 years	318,649
Idle property		<u>9,532</u>
		1,675,563
Accumulated Depreciation		<u>(879,818)</u>
		<u>\$ 795,745</u>

Depreciation expense for the year ended December 31, 2004 was \$78,128.

(9) Land Held For Development

This represents \$964,527 of land purchased in Caddo Parish to develop an industrial park, as well as \$885,904 of development expenses. A portion of the land was purchased with city, state, and parish funds through cooperative endeavor agreements that provide certain restrictions on the property's sale or transfer.

(10) Cash Held in Escrow and Other Liabilities

Cash totaling \$71,550 is restricted in accordance with an escrow agreement related to a real estate sales contract and ground lease and sale. The term of the escrow agreement ended January 29, 2004, with a balance of \$495,000 which had not been distributed through incentive payments. Of this amount, \$71,550 is to be disbursed to the City of Shreveport, Caddo Parish, and the State of Louisiana on or before March 1, 2015. The remaining balance of \$423,450 was retained by the Greater Shreveport Industrial Park Development Foundation, in accordance with the terms of the agreement. The balance at December 31, 2004, of \$71,550 is also included in the accounts payable in the accompanying financial statements.

Also included in accounts payable at December 31, 2004, is \$31,921 due to the City of Shreveport, Caddo Parish, and the State of Louisiana as a result of the sale of additional land in the industrial park during 2004.

(11) Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

For subsequent year's activities – capital campaign	\$	276,617
Earnings on investment – endowment		<u>39,144</u>
	\$	<u>315,761</u>

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2004
 (Continued)

Permanently restricted net assets consist of a donation received by the Chamber to establish and fund the J. Pat Beaird Memorial Industry of the Year Award. The donor specified that the funds were to be invested by the Chamber and the annual income derived therefrom is to be used to underwrite the expenses of this annual award ceremony.

(12) Designated Net Assets

Unrestricted net assets of the Chamber at December 31, 2004 are designated for the following:

Building reserves	\$ 82,260
Equipment reserves	8,606
Community programs	<u>25,000</u>
	<u>\$ 115,866</u>

(13) Employee Benefit Plans

Effective April 1, 1999, the Chamber began participating in a 401(k) profit-sharing plan whereby the Chamber makes contributions to the Plan each year equal to 8% of participating employees compensation. Total expense for the year ended December 31, 2004, was approximately \$60,420.

(14) Operating Leases

The Chamber leases a building from the City of Shreveport requiring monthly payments of \$2,250 for thirty years with the option to renew for five successive ten year periods. The lease may be canceled at the lessor's option at any time with a partial reimbursement to the Chamber for leasehold improvements. The primary term of the lease expires in February, 2012. During 2003, the Chamber discontinued paying the monthly rent to the City in lieu of building repairs paid for by the Chamber. The Chamber will resume making monthly payments to the City in April 2005, after costs of repair work have been recouped.

The Chamber leases a phone system requiring monthly payments of \$293 for five years. The lease payments paid on these leases for the year ended December 31, 2004 was \$4,260.

The future minimum lease payments under the operating leases are as follows:

2005	\$ 23,762
2006	30,512
2007	28,756
2008	27,000
2009	27,000
Thereafter	<u>56,250</u>
	<u>\$ 193,280</u>

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2004
(Continued)

(15) Sub-Lease Revenue

During 2003, the Chamber began leasing office space to a third party. Total rental revenue under the lease agreement was \$28,260 for 2004.

The future rental receipts for each of the four years subsequent to December 31, 2004, under existing lease agreements, are as follows:

<u>Years ending December 31,</u>	
2005	\$ 28,260
2006	28,260
2007	28,260
2008	<u>11,775</u>
	<u>\$ 96,555</u>

(16) Extraordinary Item

As discussed in Note 10, the Chamber recognized income of \$409,021 during 2004 in accordance with the terms of the escrow agreement relating to the sale of property in the industrial park. The extraordinary income is shown net of losses of \$14,429 on two additional property sales in the industrial park.

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Schedule of Financial Position
December 31, 2004

	General Fund	GSEDF, Inc.	GSIPDF, Inc.	Totals
Assets				
Current assets:				
Cash and cash equivalents	\$ 222,482	\$ 685,167	\$ 584,856	\$ 1,492,505
Grant receivable	32,367			32,367
Other receivables	10,511	34,997	39,298	84,806
Unconditional promises to give		128,834		128,834
Prepaid expenses	55,782			55,782
Total current assets	321,142	848,998	624,154	1,794,294
Noncurrent assets:				
Cash held in escrow for land development			71,550	71,550
Unconditional promises to give		147,782		147,782
Investment held for endowment purposes		331,988		331,988
Land held for development			1,850,431	1,850,431
Property and equipment, net	279,225	516,520		795,745
Total noncurrent assets	279,225	996,290	1,921,981	3,197,496
Total Assets	\$ 600,367	\$ 1,845,288	\$ 2,546,135	\$ 4,991,790
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	\$ 208,481	\$ 420	\$ 103,871	\$ 312,772
Deferred revenue	123,673	5,830		129,503
Total current liabilities	332,154	6,250	103,871	442,275
Net assets				
Unrestricted:				
Operating, undesignated	(126,878)	713,958	591,833	1,178,913
Operating, designated	115,866			115,866
Fixed assets	279,225	516,520		795,745
Land held for industrial park			1,850,431	1,850,431
Temporarily restricted		315,761		315,761
Permanently restricted		292,799		292,799
Total net assets	268,213	1,839,038	2,442,264	4,549,515
Total Liabilities and Net Assets	\$ 600,367	\$ 1,845,288	\$ 2,546,135	\$ 4,991,790

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Schedule of Activities
For the Year Ended December 31, 2004

	General Fund	GSEDF, Inc.	GSIPDF, Inc.	Totals
Revenues, gains, and support				
Membership dues	\$ 687,767	\$ 14,604	\$ 250	\$ 702,371
Programs and projects	196,482	27,399		224,131
Rent and royalties	32,040	375,005		407,045
Grants and contracts	407,354	8,000		415,354
Publication sales	13,213			13,213
Contributions and donations	88,300	356,851		445,151
Interest and dividends	581	5,525	6,047	12,153
Investment return		14,904		14,904
Miscellaneous	10,018			10,018
Total revenues, gains, and support	<u>1,435,755</u>	<u>802,288</u>	<u>6,297</u>	<u>2,244,340</u>
Expenses and losses:				
Supporting services				
General and administrative	669,852			669,852
Marketing and fund raising	137,825			137,825
Programs services				
Public Relations		19,680		19,680
Government relations	219,723			219,723
Membership services	362,812			362,812
Economic development	660,140	140,184	4,458	804,782
Government procurement center	181,643			181,643
Total expenses	<u>2,231,995</u>	<u>159,864</u>	<u>4,458</u>	<u>2,396,317</u>
Change in net assets, before transfers and extraordinary item	(796,240)	642,424	1,839	(151,977)
Interfund Transfers:				
Operating transfers in	800,000		645	800,645
Operating transfers out		(800,645)		(800,645)
Change in net assets, before extraordinary item	3,760	(158,221)	2,484	(151,977)
Extraordinary item - sale of land held for development, net of loss on sale			409,021	409,021
Change in net assets, after extraordinary item	3,760	(158,221)	411,505	257,044
Net assets, beginning of year	264,453	1,997,259	2,030,759	4,292,471
Net assets, end of year	<u>\$ 268,213</u>	<u>\$ 1,839,038</u>	<u>\$ 2,442,264</u>	<u>\$ 4,549,515</u>

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Report on Compliance and on Internal Control Over Financial
Reporting Based on An Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

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

We have audited the financial statements of Greater Shreveport Chamber of Commerce as of and for the year ended December 31, 2004, and have issued our report thereon dated April 28, 2005. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether Greater Shreveport Chamber of Commerce'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 Greater Shreveport Chamber of Commerce'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 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 detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to management of the Greater Shreveport Chamber of Commerce in a separate management letter dated April 28, 2005.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
April 28, 2005

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Summary Schedule of Audit Findings
December 31, 2004

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year audit for the year ended December 31, 2003.

Corrective Action Plan for Current Year Audit Findings

There are no findings or questioned costs for the current year audit for the year ended December 31, 2004.

There were three management letter comments for the current year audit for the year ended December 31, 2004. Management's response to those comments follows.

Comment #1: CREDIT CARD PAYMENTS

We will strongly emphasize the need to secure credit card receipts and we will require each credit card transaction be accompanied with a form which shows the purpose of the transaction, and, in the case of more than one person being involved, the names of the attendees. We will also require each of these forms be signed by the cardholder.

Comment #2: BANK RECONCILIATIONS

Bank statements will be directed to the office of the President when they arrive at the Chamber. An employee will be assigned the task of examining the checks for proper signatures, and anything else that may appear unusual. The President will review the reconciliations when they are completed and sign-off after completing each review.

Comment #3: ISSUANCE OF CHECKS

Checks will be prepared for signing and mailing by Accounts Payable, passed on to two authorized signers, and then given to a designated person outside the Accounting Department to be mailed. The designated person will mail the checks and then return the vouchers and stubs to Accounting.

COOK & MOREHART

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Management Letter

April 28, 2005

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

We have audited the combined financial statements of Greater Shreveport Chamber of Commerce (Chamber) for the year ended December 31, 2004, and have issued our report thereon dated April 28, 2005. In planning and performing our audit of the financial statements of Greater Shreveport Chamber of Commerce, we considered its 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 financial reporting.

During our audit the following items were noted involving internal control over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control or operations of the Chamber. These comments have been discussed with the appropriate members of management.

Comment #1: CREDIT CARD PAYMENTS

During our audit, we noted several instances where payments were made for credit card charges without having the detailed supporting documentation to support amounts paid. Payments were made based upon statements received from the vendors.

We recommend that no payments be made for credit cards charges without reconciliation of detailed vendor invoices/ receipts to amounts appearing on statements.

Comment #2: BANK RECONCILIATIONS

During our audit, we noted that bank reconciliations were not being reviewed and approved by a responsible individual. In addition, bank statements were being routed directly to the accounting department upon receipt.

We recommend that procedures be implemented to ensure all bank reconciliations are approved by a responsible individual on a monthly basis. We further recommend that bank statements be routed directly to the Executive Director upon receipt for review prior to submission to the accounting department for reconciliation.

Comment #3: ISSUANCE OF CHECKS

During our audit, we noted that checks were being returned to the accounting department for mailing after necessary signatures had been obtained.

We recommend that the custody of checks after signature and before mailing be handled by an employee independent of all payable, disbursing, cash, receiving, and general ledger functions

We express sincere thanks to Chamber personnel for the cooperation and assistance provided us during our audit. We are available to provide you assistance and consultation with the above mentioned items. This letter is furnished solely for the use of management, Board of Directors and various funding sources.



Cook & Morehart
Certified Public Accountants
April 28, 2005