

# **BATON ROUGE AREA CHAMBER**

Audits of Consolidated Financial Statements

December 31, 2024 and 2023



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## **Independent Auditor's Report**

To the Board of Directors  
Baton Rouge Area Chamber and  
The Greater Baton Rouge Economic Partnership, Inc.  
Baton Rouge, LA

### **Report on the Audits of the Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Baton Rouge Area Chamber and The Greater Baton Rouge Economic Partnership, Inc. (the Organization) which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 financial statements as a whole. The accompanying consolidating statement of financial position as of December 31, 2024 and consolidating statement of activities for the year ended December 31, 2024 are presented for the purpose of additional analysis and are not a required part of the financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3) is also presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 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 20, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA  
June 20, 2025

**BATON ROUGE AREA CHAMBER**  
**Consolidated Statements of Financial Position**  
**December 31, 2024 and 2023**

	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 896,745	\$ 1,649,876
Investments	1,634,647	1,892,811
Membership Dues Receivable, Net	19,822	25,304
Grants Receivable	709,184	517,884
Other Receivables	78,030	115,907
Due from Related Party	83,962	67,999
Prepaid Expenses	19,220	46,853
<b>Total Current Assets</b>	<b>3,441,610</b>	<b>4,316,634</b>
<b>Property and Equipment, Net</b>	<b>2,463,312</b>	<b>2,478,565</b>
<b>Right-of-Use Assets for Operating Leases</b>	<b>-</b>	<b>16,496</b>
<b>Other Assets</b>		
Cash and Cash Equivalents - Held for Others	1,854,840	1,498,192
<b>Total Other Assets</b>	<b>1,854,840</b>	<b>1,498,192</b>
<b>Total Assets</b>	<b>\$ 7,759,762</b>	<b>\$ 8,309,887</b>

The accompanying notes are an integral part of these consolidated financial statements.

**BATON ROUGE AREA CHAMBER**  
**Consolidated Statements of Financial Position (Continued)**  
**December 31, 2024 and 2023**

	2024	2023
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Funds Held in Custody	\$ 1,854,840	\$ 1,498,192
Accounts Payable	317,431	361,554
Accrued Expenses	142,954	96,721
Current Maturities of Notes Payable	51,916	49,623
Deferred Revenue	171,521	124,225
Refundable Advances	500,000	800,000
Operating Lease Liabilities, Current	-	16,496
<b>Total Current Liabilities</b>	<b>3,038,662</b>	<b>2,946,811</b>
<b>Notes Payable, Net of Deferred Financing Costs</b>	<b>811,431</b>	<b>862,485</b>
<b>Total Liabilities</b>	<b>3,850,093</b>	<b>3,809,296</b>
<b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	3,406,651	4,106,605
Designated by the Board for Reserve Fund	503,018	393,986
<b>Total Net Assets</b>	<b>3,909,669</b>	<b>4,500,591</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,759,762</b>	<b>\$ 8,309,887</b>

The accompanying notes are an integral part of these consolidated financial statements.

**BATON ROUGE AREA CHAMBER**  
**Consolidated Statements of Activities**  
**For the Years Ended December 31, 2024 and 2023**

	2024	2023
<b>Changes in Net Assets Without Donor Restrictions</b>		
<b>Revenues</b>		
Contributions	\$ 2,869,941	\$ 3,458,525
Contributions of Nonfinancial Assets	956,554	609,691
Event Admissions and Sponsorships	339,184	285,400
Membership Dues	333,337	334,276
Leadership Program	70,175	71,125
Grant Revenue		
City of Baton Rouge/Parish of East Baton Rouge	961,767	475,434
State of Louisiana	800,000	-
Louisiana Economic Development	573,759	748,427
Other	350,365	610,274
Investment Return, Net	200,819	219,560
Interest Income	11,158	25,560
Other Income	458,420	217,150
<b>Total Revenues</b>	<b>7,925,479</b>	<b>7,055,422</b>
<b>Net Assets Released from Donor Restrictions</b>	<b>-</b>	<b>65,000</b>
<b>Total Revenues and Reclassifications</b>	<b>7,925,479</b>	<b>7,120,422</b>
<b>Expenses</b>		
<b>Program Services</b>		
Marketing	2,403,391	1,906,416
Business Development	1,939,935	1,893,795
Community Development and Leadership	893,685	887,283
Business Intelligence	331,064	9,310
Governmental Affairs	271,346	388,836
Membership Activities	6,971	79,939
<b>Total Program Services</b>	<b>5,846,392</b>	<b>5,165,579</b>

The accompanying notes are an integral part of these consolidated financial statements.



**BATON ROUGE AREA CHAMBER**  
**Consolidated Statements of Activities (Continued)**  
**For the Years Ended December 31, 2024 and 2023**

	2024	2023
<b>General and Administrative</b>		
Professional Services	1,231,646	505,490
Personnel	631,575	626,501
General Office	270,842	189,698
Occupancy	178,364	238,561
Travel and Hosting	136,186	96,209
Provision for Credit Losses	129,261	98,848
Other	46,083	99,667
Interest Expense	38,784	40,776
Event Expense	7,268	4,004
<b>Total General and Administrative</b>	<b>2,670,009</b>	<b>1,899,754</b>
<b>Total Expenses</b>	<b>8,516,401</b>	<b>7,065,333</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>(590,922)</b>	<b>55,089</b>
<b>Changes in Net Assets With Donor Restrictions</b>		
<b>Revenues</b>		
Contributions	-	15,000
Net Assets Released from Donor Restrictions	-	(65,000)
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>(50,000)</b>
<b>Change in Total Net Assets</b>	<b>\$ (590,922)</b>	<b>\$ 5,089</b>

The accompanying notes are an integral part of these consolidated financial statements.

**BATON ROUGE AREA CHAMBER**  
**Consolidated Statements of Changes in Net Assets**  
**For the Years Ended December 31, 2024 and 2023**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Net Assets, January 1, 2023</b>	\$ 4,445,502	\$ 50,000	\$ 4,495,502
Increase (Decrease) in Net Assets	55,089	(50,000)	5,089
<b>Net Assets, December 31, 2023</b>	4,500,591	-	4,500,591
Decrease in Net Assets	(590,922)	-	(590,922)
<b>Net Assets, December 31, 2024</b>	<u>\$ 3,909,669</u>	<u>\$ -</u>	<u>\$ 3,909,669</u>

The accompanying notes are an integral part of these consolidated financial statements.

**BATON ROUGE AREA CHAMBER**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (590,922)	\$ 5,089
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Amortization Included in Interest	840	840
Depreciation	104,910	162,413
Provision for Credit Losses and Bad Debt Expense	129,261	98,848
Net Realized and Unrealized Gains on Investments	(161,559)	(170,454)
Amortization of Right-of-Use Asset	16,496	16,400
(Increase) Decrease in:		
Membership Dues Receivable	(123,779)	(100,544)
Grants Receivable	(191,300)	(378,345)
Other Receivables	37,877	(17,989)
Due from Related Party	(15,963)	(18,421)
Prepaid Expenses	27,633	(15,645)
(Decrease) Increase in:		
Accounts Payable	(44,123)	203,892
Accrued Expenses	46,233	(12,911)
Deferred Revenue and Refundable Advance	(252,704)	(211,615)
Operating Lease Liabilities	(16,496)	(16,400)
<b>Net Cash Used in Operating Activities</b>	<b>(1,033,596)</b>	<b>(454,842)</b>
<b>Cash Flows from Investing Activities</b>		
Acquisitions of Property and Equipment	(89,657)	(8,083)
Purchases of Investments	(1,155,684)	(541,709)
Sales of Investments	1,575,407	832,103
<b>Net Cash Provided by Investing Activities</b>	<b>330,066</b>	<b>282,311</b>

The accompanying notes are an integral part of these consolidated financial statements.

**BATON ROUGE AREA CHAMBER**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the Years Ended December 31, 2024 and 2023**

	2024	2023
<b>Cash Flows from Financing Activities</b>		
Amounts Received on Behalf of Others - Funds		
Held in Custody	586,685	488,434
Amounts Paid Out on Behalf of Others - Funds		
Held in Custody	(230,037)	(167,696)
Payments on Notes Payable	(49,601)	(47,610)
	<u>307,047</u>	<u>273,128</u>
<b>Net Cash Provided by Financing Activities</b>		
	<u>307,047</u>	<u>273,128</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents and Restricted Cash</b>	(396,483)	100,597
<b>Cash and Cash Equivalents and Restricted Cash, Beginning of Year</b>	3,148,068	3,047,471
<b>Cash and Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 2,751,585</u>	<u>\$ 3,148,068</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash Paid for Interest	<u>\$ 38,784</u>	<u>\$ 40,776</u>
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash</b>		
Cash and Cash Equivalents	\$ 896,745	\$ 1,649,876
Cash and Cash Equivalents - Held for Others	1,854,840	1,498,192
	<u>1,854,840</u>	<u>1,498,192</u>
<b>Total Cash and Cash Equivalents and Restricted Cash</b>	<u>\$ 2,751,585</u>	<u>\$ 3,148,068</u>

The accompanying notes are an integral part of these consolidated financial statements.

## **BATON ROUGE AREA CHAMBER**

### **Notes to Consolidated Financial Statements**

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#### **Note 1. Summary of Significant Accounting Policies**

##### **Nature of Activities**

The Baton Rouge Area Chamber (BRAC) was incorporated on September 22, 1948 as a public non-profit organization under Internal Revenue Code Section 501(c)(6). BRAC's mission is leading economic development in the nine-parish Baton Rouge area. The major programs and objectives are as follows:

- Business Development - Create an environment which attracts new and expanded business investment and development;
- Governmental Affairs - Advocate public policy positions that positively impact the business community;
- Community Development and Leadership - Build a learning community focused on creating a high-quality education system while developing the next generation of leaders;
- Business Intelligence - Conduct research on public policy issues affecting business development in the region;
- Marketing - Develop and implement a plan that promotes the Baton Rouge region to prospective companies; and
- Membership Activities - Provide a venue that allows members to promote their businesses.

The major sources of funding are from contributions, membership dues, and grants from the State of Louisiana and the City of Baton Rouge/Parish of East Baton Rouge.

The Greater Baton Rouge Economic Partnership, Inc. (GBREP) was incorporated on April 19, 1994 as a public non-profit organization under Internal Revenue Code Section 501(c)(3). According to its by-laws, GBREP's mission is to benefit and increase the quality of life of the general public in and around the Baton Rouge area by promoting and supporting activities and functions that attract business, educate the public, and create jobs that increase economic growth and development in the region.

##### **Principles of Consolidation**

The consolidated financial statements include the accounts of BRAC and GBREP, which are not-for-profit organizations that are controlled by the Board of Directors (the Board) of BRAC. Intercompany transactions and balances have been eliminated in consolidation.

##### **Basis of Accounting**

BRAC and GBREP (collectively referred to as the Organization) prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

## **BATON ROUGE AREA CHAMBER**

### **Notes to Consolidated Financial Statements**

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

##### **Cash and Cash Equivalents**

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

##### **Property and Equipment**

Property and equipment are recorded at cost. It is the Organization's policy to capitalize fixed assets greater than \$500 - \$1,000 based on the type of asset purchased. Depreciation is computed using the straight-line method over the estimated useful lives of the assets with estimated lives between 3 and 40 years. When property is retired or otherwise disposed of, applicable amounts are removed from the related asset and accumulated depreciation accounts, and the resulting gain or loss is recognized.

##### **Operating Leases**

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its consolidated statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the consolidated statements of activities.

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Operating Leases (Continued)**

The Organization made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

**Contributed Support**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions include those net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a reserve fund that may be drawn upon in times of emergency, to cover temporary cash needs, or for other cash needs in accordance with the policy.

Net assets with donor restrictions are those net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

## BATON ROUGE AREA CHAMBER

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Revenue Recognition**

###### Membership Dues

Membership dues are comprised of an exchange element based on the benefits provided over a period of time. The Organization recognizes membership dues revenue over the one-year membership period. As a practical expedient, the Organization uses the portfolio approach for annual membership dues paid by month. Payments are required at the start of the membership period. Amounts received in advance of the membership period are deferred to the applicable period. The opening balance of deferred membership dues at January 1, 2023 was \$117,765. The balance of deferred membership dues at December 31, 2024 and 2023 was \$121,521 and \$124,225, respectively, and is included in deferred revenue on the consolidated statements of financial position.

Membership dues are recorded at cost, net of an allowance for credit losses. Management determines the allowance using an estimate of expected credit losses, applied to customer groupings with similar risk characteristics, based on historical experience, current economic conditions and certain forward-looking information. As of December 31, 2024 and 2023, the total allowance recorded for credit losses was \$36,426 and \$72,828, respectively. Account balances are written-off against the established allowance when management determines it is probable the receivable will not be collected.

###### Grant Revenue Recognition

A portion of the Organization's revenue is derived from cost-reimbursable city and state grant, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions.

###### Event Admissions and Sponsorships

The Organization recognizes revenue from ticket sales for event admission at the time of admission. The Organization records event sponsorships equal to the fair value of conditional direct benefits to donors when the event takes place. Payments are required at the time the event takes place. Amounts received in advance of when the event takes place are deferred. The opening balance of deferred event revenue at January 1, 2023 was \$3,500. The balance of deferred event revenue at December 31, 2024 and 2023 was \$50,000 and \$-0-, respectively, and is included in deferred revenue on the consolidated statements of financial position.



## BATON ROUGE AREA CHAMBER

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Revenue Recognition (Continued)**

###### **Contributions**

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a benefit interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met. There were no unconditional or conditional promises to give at December 31, 2024 and 2023. Cash received on conditional grants for which the conditions have not yet been met at year-end are considered refundable advances. Refundable advances totaled \$500,000 and \$800,000 at December 31, 2024 and 2023, respectively.

##### **Contributions of Nonfinancial Assets**

Donations of contributed nonfinancial assets are record at fair value at the date of the donation.

##### **Deferred Financing Costs**

The Organization follows Accounting Standards Update (ASU) 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Deferred financing costs of \$8,397 at December 31, 2024 and 2023 are being amortized over the term of the applicable note as a component of interest expense. These costs are presented net of accumulated amortization of \$1,680 and \$840 at December 31, 2024 and 2023, respectively.

##### **Vacation Leave**

Vacation leave is earned at varying rates from two to three weeks per year depending on length of service. A maximum of two or three weeks, depending on length of service, of unused vacation leave may be carried over at year end; however, additional time may be awarded at the discretion of management. Accordingly, \$88,204 and \$92,337 related to such unused vacation leave has been accrued at December 31, 2024 and 2023, respectively.

##### **Income Taxes**

BRAC is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. GBREP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

To maintain the tax-deductible status of member dues, the BRAC limits for political-related activity to 12%.

## BATON ROUGE AREA CHAMBER

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs of \$7,586 and \$9,974 were incurred during the years ended December 31, 2024 and 2023, respectively.

##### Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the financial statements. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses, with the exception of interest expense and occupancy expense, are allocated on the basis of estimates of time and effort. Interest expense and occupancy expenses are specifically identified to a program or supporting function.

#### Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following:

	2024	2023
Cash and Cash Equivalents	\$ 896,745	\$ 1,649,876
Investments	1,634,647	1,892,811
Other Receivable	78,030	115,907
Due from Related Party	83,962	67,999
Grants Receivable	709,184	517,884
Membership Dues Receivable, Net	19,822	25,304
<b>Total</b>	<b>\$ 3,422,390</b>	<b>\$ 4,269,781</b>

As part of the Organization's liquidity management plan, the Organization maintains balances in excess of daily requirements in cash, cash equivalents, and equity securities. The Board designates on an annual basis a reserve fund, that may be drawn upon in times of emergency, to cover temporary cash needs, or for other cash requirements in accordance with the policy, a target amount of three months of current year budgeted expenditures. BRAC's operating surpluses may also be deposited into the reserve fund.

## BATON ROUGE AREA CHAMBER

### Notes to Consolidated Financial Statements

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#### Note 3. Property and Equipment, Net

Property and equipment, net at December 31, 2024 and 2023 consisted of the following:

Description	Service Life	2024	2023
Building and Improvements	10 - 40 Years	\$ 3,739,336	\$ 3,719,502
Computer Equipment and Software	3 - 5 Years	514,683	489,301
Office Equipment	5 - 15 Years	46,292	46,292
Furniture and Fixtures	5 Years	383,415	338,975
Land	-	68,259	68,259
		<u>4,751,985</u>	<u>4,662,329</u>
Less: Accumulated Depreciation		<u>(2,288,673)</u>	<u>(2,183,764)</u>
<b>Property and Equipment, Net</b>		<b>\$ 2,463,312</b>	<b>\$ 2,478,565</b>

Depreciation expense was \$104,910 and \$162,413 for the years ended December 31, 2024 and 2023, respectively.

#### Note 4. Investments

Investments are composed of the following at December 31, 2024 and 2023:

	2024	2023
Cash / Money Market	\$ 62,307	\$ 240,561
Equities	<u>1,572,340</u>	<u>1,652,250</u>
<b>Total</b>	<b>\$ 1,634,647</b>	<b>\$ 1,892,811</b>

#### Note 5. Retirement Plan

The Organization has a 401(k) retirement plan for all employees older than 21 years of age. The entrance dates of the plan are monthly. Effective January 1, 2016, the 401(k) retirement plan was amended to include a 30-day minimum service requirement to enroll in the plan. At that time, the employee will be automatically enrolled with a 6% employee contribution with the option to subsequently adjust. An employee becomes fully vested upon his participation. The plan provides for a safe harbor qualified employer match of 100% of the employee's contribution up to 6% of his pay. The Organization's contributions for the years ended December 31, 2024 and 2023 were \$183,204 and \$159,205, respectively.

## BATON ROUGE AREA CHAMBER

### Notes to Consolidated Financial Statements

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#### Note 6. Related-Party Transactions

The Organization provides FuturePAC, LLC (FuturePAC) (a political action committee) with incidental administrative support. The amount charged to FuturePAC for this support totaled \$5,000 for the years ended December 31, 2024 and 2023. Amounts due from FuturePAC for various expenses paid by the Organization on behalf of FuturePAC totaled \$83,962 and \$67,999 for the years ended December 31, 2024 and 2023, respectively, which is included in due from related party on the consolidated statements of financial position. FuturePAC has not been included in these consolidated financial statements because it does not meet the requirements for consolidation.

During the normal course of business, the Organization purchases the services and/or materials and supplies provided by businesses associated with certain members of the Organization's Board of Directors. During 2024 and 2023, the Organization incurred costs of \$27,772 and \$57,021, respectively, relating to services received from businesses associated with certain board members.

#### Note 7. Funds Held in Custody

The Organization acts as a fiscal agent for three organizations that do not have their own accounting function. As of December 31, 2024 and 2023, the Organization held \$1,854,840 and \$1,498,192, respectively, on behalf of these organizations.

#### Note 8. Notes Payable

Notes payable at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Note payable to a bank, original amount of \$975,000, interest at 4.25%, secured by building, monthly principal and interest payments of \$7,365.43 beginning in November 2022, with all unpaid interest due at maturity on October 21, 2032.	\$ 870,064	\$ 919,665
	870,064	919,665
Less: Current Portion of Notes Payable	(51,916)	(49,623)
Less: Deferred Financing Costs	(6,717)	(7,557)
<b>Total</b>	<b>\$ 811,431</b>	<b>\$ 862,485</b>

## BATON ROUGE AREA CHAMBER

### Notes to Consolidated Financial Statements

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#### Note 8. Notes Payable (Continued)

The principal maturities of the note payable as of December 31<sup>st</sup> are as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2025	\$ 51,916
2026	54,197
2027	56,579
2028	58,981
2029	61,659
Thereafter	<u>586,732</u>
<b>Total</b>	<u><u>\$ 870,064</u></u>

#### Note 9. Leases

##### Operating Leases

The Organization has an operating lease for two copiers with Xerox. The lease term expired on December 31, 2024 and continued month-to-month thereafter. The lease payments are \$1,385 per month plus variable lease payments related to print charges. These variable lease payments range from \$0.0063 to \$0.0477 per print depending on the type of printer and color selection.

##### Short-Term Leases

The Organization is involved in an month-to-month operating lease with 8x8, Inc. for the use of phone systems throughout the offices of the Organization. As this agreement is month-to-month and can be cancelled after giving proper notice, this operating lease is classified as a short-term lease. The Organization has elected the practical expedient for this short-term lease as the lease term is less than 12 months and will not include this lease within the scope of ASC 842.

## BATON ROUGE AREA CHAMBER

### Notes to Consolidated Financial Statements

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#### Note 9. Leases (Continued)

##### Quantitative Disclosures

The components of lease cost and other required information are as follows for the years ended December 31, 2024 and 2023:

	2024	2023
<b>Lease Cost</b>		
Operating Lease Cost	\$ 16,623	\$ 16,623
Short-Term Lease Cost	15,114	14,563
Variable Lease Cost	2,536	2,873
<b>Total Lease Cost</b>	<b>\$ 34,273</b>	<b>\$ 34,059</b>

##### **Other Information**

##### **Weighted-Average Remaining Lease Term (in Years)**

Operating Leases	0.0	1.0
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##### **Weighted-Average Discount Rate Applied (%)**

Operating Leases	1.7	1.7
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There were no future undiscounted cash flows related to operating leases as of December 31, 2024.

#### Note 10. Concentrations of Credit Risk

The Organization periodically maintains cash in bank accounts in excess of federally insured limits. The Organization has not experienced any losses and does not believe that significant credit risks exist as a result of this practice. At December 31, 2024 and 2023, \$1,960,566 and \$2,016,126, respectively, of cash and cash equivalents are uninsured.

#### Note 11. Fair Value Measurement

The carrying values of the Organization's financial instruments approximate fair value.

The Organization follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Note 11. Fair Value Measurement (Continued)**

FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 Valuations based on unadjusted quoted prices in active markets for identical assets and liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 Valuations based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of assets or liabilities.
- Level 3 Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The fair values are typically determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

*Money Market Accounts:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Equity Securities:* The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## BATON ROUGE AREA CHAMBER

### Notes to Consolidated Financial Statements

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#### Note 11. Fair Value Measurement (Continued)

The valuation of the Organization's assets measured at fair value on a recurring basis at December 31, 2024 and 2023, are as follows:

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Net Balance</b>
<b>Cash / Money Market</b>	<b>\$ 62,307</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,307</b>
<b>Equities</b>	<b>1,572,340</b>	<b>-</b>	<b>-</b>	<b>1,572,340</b>
<b>Total</b>	<b>\$ 1,634,647</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,634,647</b>

  

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Net Balance</b>
<b>Cash / Money Market</b>	<b>\$ 240,561</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240,561</b>
<b>Equities</b>	<b>1,652,250</b>	<b>-</b>	<b>-</b>	<b>1,652,250</b>
<b>Total</b>	<b>\$ 1,892,811</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,892,811</b>

As of December 31, 2024 and 2023, there were no assets measured at fair value on a non-recurring basis.

Gains and losses (realized and unrealized) included in changes in net assets for the periods above are reported in investment return, net in the consolidated statements of activities.

#### Note 12. Contributed Non-Financial Assets

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within revenue in the consolidated statements of activities included advertising, computer maintenance, engineering site work, and accounting services totaling \$956,554 and \$609,691, respectively. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed services are valued and reported at the estimated fair value in the consolidated financial statements based on current rates for similar services.



## **BATON ROUGE AREA CHAMBER**

### **Notes to Consolidated Financial Statements**

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#### **Note 13. Income Taxes**

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the consolidated financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in general and administrative expenses.

#### **Note 14. Subsequent Events**

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 20, 2025, and determined that no events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion in these consolidated financial statements.

## **SUPPLEMENTARY INFORMATION**

**BATON ROUGE AREA CHAMBER**  
**Consolidating Statement of Financial Position**  
**December 31, 2024**

**Schedule I**

	<b>BRAC</b>	<b>GBREP</b>	<b>Eliminations</b>	<b>Total</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 803,260	\$ 93,485	\$ -	\$ 896,745
Investments	1,634,647	-	-	1,634,647
Membership Dues Receivable, Net	19,822	-	-	19,822
Grants Receivable	625,619	83,565	-	709,184
Other Receivables	33,066	44,964	-	78,030
Due from Related Party	-	9,909,792	(9,825,830)	83,962
Prepaid Expenses	19,220	-	-	19,220
<b>Total Current Assets</b>	<b>3,135,634</b>	<b>10,131,806</b>	<b>(9,825,830)</b>	<b>3,441,610</b>
<b>Property and Equipment, Net</b>	<b>2,463,312</b>	<b>-</b>	<b>-</b>	<b>2,463,312</b>
<b>Other Assets</b>				
Cash and Cash Equivalents - Held for Others	-	1,854,840	-	1,854,840
<b>Total Other Assets</b>	<b>-</b>	<b>1,854,840</b>	<b>-</b>	<b>1,854,840</b>
<b>Total Assets</b>	<b>\$ 5,598,946</b>	<b>\$ 11,986,646</b>	<b>\$ (9,825,830)</b>	<b>\$ 7,759,762</b>

See independent auditor's report.

**BATON ROUGE AREA CHAMBER**  
**Consolidating Statement of Financial Position (Continued)**  
**December 31, 2024**

**Schedule I**

	<b>BRAC</b>	<b>GBREP</b>	<b>Eliminations</b>	<b>Total</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Funds Held in Custody	\$ -	\$ 1,854,840	\$ -	\$ 1,854,840
Accounts Payable	245,272	72,159	-	317,431
Accrued Expenses	142,954	-	-	142,954
Due to Related Party	9,825,830	-	(9,825,830)	-
Current Maturities of Notes Payable	51,916	-	-	51,916
Deferred Revenue	151,521	20,000	-	171,521
Refundable Advances	-	500,000	-	500,000
<b>Total Current Liabilities</b>	<b>10,417,493</b>	<b>2,446,999</b>	<b>(9,825,830)</b>	<b>3,038,662</b>
<b>Notes Payable, Net of Deferred Financing Costs</b>	<b>811,431</b>	<b>-</b>	<b>-</b>	<b>811,431</b>
<b>Total Liabilities</b>	<b>11,228,924</b>	<b>2,446,999</b>	<b>(9,825,830)</b>	<b>3,850,093</b>
<b>Net (Deficit) Assets</b>				
Without Donor Restrictions				
Undesignated	(6,132,996)	9,539,647	-	3,406,651
Designated by the Board for Reserve Fund	503,018	-	-	503,018
<b>Total Net (Deficit) Assets Without Restrictions</b>	<b>(5,629,978)</b>	<b>9,539,647</b>	<b>-</b>	<b>3,909,669</b>
<b>Total Net (Deficit) Assets</b>	<b>(5,629,978)</b>	<b>9,539,647</b>	<b>-</b>	<b>3,909,669</b>
<b>Total Liabilities and Net (Deficit) Assets</b>	<b>\$ 5,598,946</b>	<b>\$ 11,986,646</b>	<b>\$ (9,825,830)</b>	<b>\$ 7,759,762</b>

See independent auditor's report.

**BATON ROUGE AREA CHAMBER**  
**Consolidating Statement of Activities**  
**For the Year Ended December 31, 2024**

**Schedule II**

	<b>BRAC</b>	<b>GBREP</b>	<b>Eliminations</b>	<b>Total</b>
<b>Changes in Net (Deficit) Assets Without Donor Restrictions</b>				
<b>Revenues</b>				
Contributions	\$ 2,544,941	\$ 325,000	\$ -	\$ 2,869,941
Contributions of Nonfinancial Assets	954,479	2,075	-	956,554
Event Admissions and Sponsorships	293,934	45,250	-	339,184
Membership Dues	332,937	400	-	333,337
Leadership Program	-	70,175	-	70,175
Grant Revenue				
City of Baton Rouge/Parish of East Baton Rouge	878,202	83,565	-	961,767
State of Louisiana	-	800,000	-	800,000
Louisiana Economic Development	-	573,759	-	573,759
Other	350,365	-	-	350,365
In-Kind Operational Contributions	-	1,646,640	(1,646,640)	-
Investment Return, Net	200,819	-	-	200,819
Interest Income	9,033	2,125	-	11,158
Other Income	198,331	260,089	-	458,420
<b>Total Revenues</b>	<b>5,763,041</b>	<b>3,809,078</b>	<b>(1,646,640)</b>	<b>7,925,479</b>
<b>Expenses</b>				
<b>Program Services</b>				
Marketing	2,281,648	121,743	-	2,403,391
Business Development	462,296	1,477,639	-	1,939,935
Community Development and Leadership	739,624	154,061	-	893,685
Business Intelligence	185,417	145,647	-	331,064
Governmental Affairs	206,783	64,563	-	271,346
Membership Activities	6,971	-	-	6,971
<b>Total Program Services</b>	<b>3,882,739</b>	<b>1,963,653</b>	<b>-</b>	<b>5,846,392</b>

See independent auditor's report.

**BATON ROUGE AREA CHAMBER**  
**Consolidating Statement of Activities (Continued)**  
**For the Year Ended December 31, 2024**

**Schedule II**

	<b>BRAC</b>	<b>GBREP</b>	<b>Eliminations</b>	<b>Total</b>
<b>General and Administrative</b>				
Professional Services	388,721	842,925	-	1,231,646
Personnel	434,259	197,316	-	631,575
General Office	134,820	136,022	-	270,842
Occupancy	107,821	70,543	-	178,364
Travel and Hosting	135,966	220	-	136,186
Provision for Credit Losses	129,261	-	-	129,261
Other	46,083	-	-	46,083
Interest Expense	38,784	-	-	38,784
Event Expense	7,268	-	-	7,268
In-Kind Operational Contributions	1,646,640	-	(1,646,640)	-
<b>Total General and Administrative</b>	<b>3,069,623</b>	<b>1,247,026</b>	<b>(1,646,640)</b>	<b>2,670,009</b>
<b>Total Expenses</b>	<b>6,952,362</b>	<b>3,210,679</b>	<b>(1,646,640)</b>	<b>8,516,401</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>(1,189,321)</b>	<b>598,399</b>	<b>-</b>	<b>(590,922)</b>
<b>Change in Total Net (Deficit) Assets</b>	<b>\$ (1,189,321)</b>	<b>\$ 598,399</b>	<b>\$ -</b>	<b>\$ (590,922)</b>

See independent auditor's report.

**BATON ROUGE AREA CHAMBER**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head**  
**For the Year Ended December 31, 2024**

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**Schedule III**

**Agency Head**

Ann Trappey, Interim Chief Executive Officer, January 1, 2024 - June 9, 2024

Lori Melancon, Chief Executive Officer, June 10, 2024 - December 31, 2024

<b>Purpose</b>	<b>Amount</b>
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Taxes	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

\*No compensation, reimbursements nor benefits were paid to the agency head from public funds.

See independent auditor's report.

**INDEPENDENT AUDITOR'S 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 Board of Directors  
Baton Rouge Area Chamber and  
The Greater Baton Rouge Economic Partnership, Inc.  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of the Baton Rouge Area Chamber and The Greater Baton Rouge Economic Partnership, Inc. (the Organization) for the year ended December 31, 2024, and the related notes to the consolidated financial statements and have issued our report thereon dated June 20, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be material weaknesses.



**Report on Compliance and Other Matters**

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

**The Organization's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the consolidated 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA  
June 20, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Baton Rouge Area Chamber and  
The Greater Baton Rouge Economic Partnership, Inc.  
Baton Rouge, Louisiana

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Baton Rouge Area Chamber and the Greater Baton Rouge Economic Partnership, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to the Organization's federal programs.

### **Auditor's Responsibility for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Organization as of and for the year ended December 31, 2024, and have issued our report thereon dated June 20, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



A Professional Accounting Corporation

Baton Rouge, LA  
June 20, 2025

**BATON ROUGE AREA CHAMBER**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2024**

<b>Grantor/Program Title/ Pass-Through Grantor's Number</b>	<b>Assistance Listing Number</b>	<b>Contract Period</b>	<b>Passed Through to Subrecipients</b>	<b>Total Expenditures</b>
<b>U.S. Department of Commerce</b>				
<i>Passed through the Greater New Orleans Development Foundation</i> Economic Adjustment Assistance	11.307	01/01/23-05/28/27	\$ -	\$ 298,816
<i>Passed through the Louisiana Department of Economic Development</i> COVID-19 Economic Adjustment Assistance	11.307	01/01/24-10/31/24	-	100,000
<b>U.S. Department of the Treasury</b>				
<i>Passed through City of Baton Rouge - Parish of East Baton Rouge</i> COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	09/21/22-12/31/26	-	878,202
<b>National Science Foundation</b>				
<i>Passed through Louisiana State University and A&amp;M College</i> NSF Technology, Innovation, and Partnerships	47.084	03/01/24-02/28/26	-	42,308
<b>Total Expenditures of Federal Awards</b>			<u>\$ -</u>	<u>\$ 1,319,326</u>

**BATON ROUGE AREA CHAMBER**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2024**

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**Note 1. Basis of Accounting**

The schedule of expenditures of federal awards is prepared using the accrual basis of accounting.

Complete Catalog of Assistance Listing numbers are presented for those programs for which such numbers were available. Assistance Listing prefixes and other identifying numbers are presented for programs for which a Complete Assistance Listing number is not available.

**Note 2. Indirect Cost Rate**

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**BATON ROUGE AREA CHAMBER**  
**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2024**

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**Part I - Summary of Auditor's Results**

**Financial Statement Section**

- |  |               |
|--|---------------|
| 1. Type of Auditor's Report Issued:                      | Unmodified    |
| 2. Internal Control Over Financial Reporting:            |               |
| a. Material Weakness (es) Identified?                    | Yes           |
| b. Significant Deficiency (ies) Identified?              | None Reported |
| 3. Noncompliance Material to Financial Statements Noted? | No            |

**Federal Awards Section**

Internal control over major programs:

Material weakness(es) identified?	No
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Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
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Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
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Identification of Major Programs:

21.027 COVID-19 Coronavirus State and Local Recovery Funds

Dollar threshold used to determine Type A programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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**BATON ROUGE AREA CHAMBER**  
**Schedule of Findings and Responses (Continued)**  
**For the Year Ended December 31, 2024**

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**Part II - Financial Statement Findings Section**

2024-001 Cutoff of Reimbursable Grant Revenue

*Condition:* A material weakness in internal control over financial reporting is present. A material amount of revenue related to reimbursable grants was identified during audit testing that was not recorded in the period in which the expenses were incurred.

*Criteria:* Revenue is derived from cost-reimbursable city and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, should be recognized as revenue when the expenditures are incurred in compliance with specific grant provisions.

*Effect:* A material amount of current period adjustments were required.

*Cause:* Error in application of policy.

*Recommendation:* We recommend that management perform a review of cost reimbursement requests submitted subsequent to year-end for proper period recognition based on when the expenditures were incurred.

*Views of Responsible  
Officials:*

Management agrees with the above finding and have developed a process to review reimbursement requests submitted subsequent to year end for proper period recognition based on when the expenditures were incurred, effective immediately.

**Part III - Federal Award Findings and Questioned Costs Section**

None.



**BATON ROUGE AREA CHAMBER**  
**Schedule of Prior Year Audit Findings**  
**For the Year Ended December 31, 2024**

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**Part I - Financial Statements Findings Section**

**Reference Number:** 2023-001

**Condition:** A material weakness in internal control over financial reporting is present. A material amount of revenue related to reimbursable grants was identified during audit testing that was not recorded in the period in which the expenses were incurred.

**Status** Unresolved. See 2024-001.

**Reference Number:** 2023-002

**Condition:** A material weakness in internal control over financial reporting is present. Monthly reconciliations of investment activity were not performed during the year resulting in a material adjustment required to record annual investment activity.

**Status** Resolved.

**Part II - Federal Award Findings and Questioned Costs Section**

Not applicable.