



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT.....	1
<u>FINANCIAL STATEMENTS:</u>	
Statement of Financial Position – As of December 31, 2023.....	4
Statement of Activities – For the Year Ended December 31, 2023.....	5
Statement of Functional Expenses – For the Year Ended December 31, 2023.....	6
Statement of Cash Flows – For the Year Ended December 31, 2023.....	7
NOTES TO THE FINANCIAL STATEMENTS.....	8
<u>SUPPLEMENTARY INFORMATION:</u>	
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 <i>GOVERNMENT AUDITING</i> <i>STANDARDS</i>	16
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES	18
STATUS OF PRIOR YEAR FINDINGS.....	23
Schedule of Compensation, Benefits, and Other Payments to Executive Director – For the Year Ended December 31, 2023.....	24



Luther Speight & Company, LLC
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Louisiana Chamber of Commerce Foundation, Inc.
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Louisiana Chamber of Commerce Foundation, Inc. (a nonprofit organization) ("LCCF"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of LCCF as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

The prior year financial statements for LCCF were not audited. In connection with the examination of beginning balances, we did not obtain sufficient appropriate audit evidence about the amount recognized for notes payable recorded at \$500,000. The balance is related to a donation of land and buildings received by LCCF during the prior year that was subject to a \$500,000 note payable. We were not provided with a promissory note referenced in the Act of Donation and Bargained Sale agreement. We were unable to determine if the note payable recorded at \$500,000 represents an amount due to the donor entity or if this amount was forgiven during the prior year as a part of the closing transaction.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 LCCF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LCCF'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 LCCF'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes 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 schedule of compensation, benefits, and other payments to agency head 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 February 18, 2025 on our consideration of LCCF's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 LCCF'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 LCCF's internal control over financial reporting and compliance.

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
February 18, 2025

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 821,625
Investments	1,456,103
Grants Receivable	279,476
Accounts Receivable	25,307
Total Current Assets	<u>2,582,511</u>

Non-Current Assets

Fixed Assets, Net	<u>5,864,615</u>
Total Non-Current Assets	<u>5,864,615</u>

Total Assets	<u><u>8,447,126</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	22,667
Payroll Liabilities, Net	551
Total Current Liabilities	<u>23,218</u>

Non-Current Liabilities

Notes Payable	500,000
Deferred Revenue	1,998,256
Total Non-Current Liabilities	<u>2,498,256</u>

Total Liabilities	<u><u>2,521,474</u></u>
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Net Assets

Without Donor Restrictions	<u>5,925,652</u>
Total Net Assets	<u>5,925,652</u>

Total Liabilities and Net Assets	<u><u>\$ 8,447,126</u></u>
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The accompanying notes are an integral part of these financial statements.

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Grant Income	\$ 339,958	\$ -	\$ 339,958
Contributions and Public Support	1,031,811	-	1,031,811
Other Income	25,335	-	25,335
Interest Income	13,468	-	13,468
Total Revenues and Other Support	<u>1,410,572</u>	<u>-</u>	<u>1,410,572</u>
Expenses			
Program Services	995,591	-	995,591
Support Services	163,586	-	163,586
Management and General	217,515	-	217,515
Total Expenses	<u>1,376,692</u>	<u>-</u>	<u>1,376,692</u>
Change in Net Assets	33,880	-	33,880
Net Assets, Beginning of Year	<u>5,891,772</u>	<u>-</u>	<u>5,891,772</u>
Net Assets, End of Year	<u><u>\$ 5,925,652</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,925,652</u></u>

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

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Support Services	Management and General	Total
Expenses				
Salaries and Wages	\$ 267,802	\$ 58,007	\$ 17,473	\$ 343,282
Fringe Benefits	23,397	2,311	1,792	27,500
Payroll Taxes	20,488	4,438	1,337	26,263
Depreciation Expense	135,385	-	-	135,385
Software Subscriptions	8,753	-	14,059	22,812
Computer & Website	4,230	-	499	4,729
Rent, Parking, Utilities	301	-	2,872	3,173
Office Expense	6,682	-	58,958	65,640
Contract Services	145,204	-	35,697	180,901
Conference, Convention, Travel	122,896	19,117	14,433	156,446
Chamber Support	7,664	-	-	7,664
Marketing Materials Printing & Copying	420	-	19,102	19,522
Membership, Dues & Subscriptions	-	-	13,191	13,191
Consultants	196,688	57,717	-	254,405
Chamber Support - Training	17,000	-	-	17,000
Charitable Contributions	-	-	4,861	4,861
Event Expense	8,275	21,167	16,323	45,765
Meals	19,268	119	-	19,387
Professional Development	-	-	9,945	9,945
Miscellaneous Expense	9,718	-	6,384	16,102
Payroll Processing Fee	1,420	710	589	2,719
Total Expenses	\$ 995,591	\$ 163,586	\$ 217,515	\$ 1,376,692

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

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities:

Change in Net Assets	\$ 33,880
Depreciation Expense	135,385
Adjustments to Reconcile Changes in Net Assets	
to Net Cash Used by Operating Activities:	
Increase in Grants Receivable	(279,476)
Increase in Accounts Receivable	(25,307)
Increase in Accounts Payable	22,667
Increase in Deferred Revenue	1,998,256
Total Adjustments	<u>1,716,140</u>
Net Cash Provided by Operating Activities	<u>1,885,405</u>

Cash Flows From Investing Activities:

Purchase of Investments	<u>(1,456,103)</u>
Net Cash Used by Investing Activities	<u>(1,456,103)</u>

Net Change in Cash 429,302

Cash, Beginning of Year 392,323

Cash, End of Year \$ 821,625

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

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - ORGANIZATION

Background

Louisiana Chamber of Commerce Foundation, Inc. (LCCF) was established in 2018 as a nonprofit organization. The purposes of LCCF are to:

- Help drive the economic growth of Louisiana by empowering and sustaining the BIPOC business community through the development of local chambers.
- Engage public and private sector partners in providing BIPOC businesses access to procurement opportunities, a network of strong BIPOC chambers of commerce, technical assistance that build their capacity, and advocacy for BIPOC business growth and development.
- Serve as a liaison and connector between state and municipal agencies focused on policy, outreach, and small business utilization and the state's Black business communities.

General

LCCF has quickly established itself as the go-to resource for Black business development and growth in Louisiana. In 2019, LCCF entered into a Cooperative Endeavor Agreement (CEA) with the State of Louisiana through the Louisiana Economic Development (LED) to extend the reach of LED's Small Business Programming into the Black business community. Under this CEA, LCCF has engaged hundreds of BIPOC-owned businesses and strengthened BIPOC chambers of commerce.

Business Innovation Program

This program provides a variety of technical and training support for Black-owned businesses to mitigate common barriers to success, including human resources, legal services, financial support, accounting, and how to move key business aspects—including commerce—online. In 2021, the organization received funding from the AARP Foundation to support the implementation of its Business Innovation Program to older small business owners across the state.

Chamber of Commerce Growth Initiative

CCGI is a comprehensive program that trains, supports and increases the capacity of BIPOC Chamber of Commerce leaders. With a well-designed scope and sequence for training and leadership development, along with key staff responsible for providing guidance for Chamber leaders who receive technical assistance for the creation and development of BIPOC Chambers of Commerce, administrative and fundraising support, advocacy designed to lead to contracts and working capital for BIPOC-owned businesses, virtual and in-person business education for their members, and high-quality business networking events.

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

LCCF's basic financial statements consist of the statement of financial position, statement of activities, statement of functional expenses, and cash flows. The statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Financial Statement Presentation

As required by Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) Sections 958-205 and 605 (*Not-for-Profit Entities Presentation of Financial Statements and Revenue Recognition*), LCCF recognizes contributions received as revenue, including unconditional promises to give, in the period received at fair value. At the same time, contributions made, including unconditional promises to give, are recognized as expenses in the period made at their fair value.

FASB ASC 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants Audit and Accounting Guide for Not-for-Profit Organizations (the Guide) Update 2016-14 was effective January 1, 2018. Under the provisions of the Guide, net assets and gains and losses are classified based on the existence or absences of donor-imposed restrictions. Accordingly, the net assets of LCCF and changes therein are classified as follows:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of LCCF. LCCF's board may designate assets without restrictions for specific operational purposes from time to time. LCCF has determined that any donor-imposed restrictions for current or developing programs or activities that are generally met within the same operating cycle are recorded as net assets without donor restrictions.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of LCCF or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

At December 31, 2023, LCCF's net assets without donor restrictions reports the results of revenues generated by providing services, receiving unrestricted contributions, grants, interest from investments, less expenses incurred in providing program and supporting related services. In addition, LCCF presents a statement of cash flows in the accompanying financial statements.

Further, update No. 2016-14 affecting ASC 958, *Not-for-Profit Entities*, established standards for external financial reporting by not-for-profit organizations. The standard's main provisions require presentation on the face of the statement of activities the amount of the change in each of the two classes of net assets; continued to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting; and included enhanced disclosures of board designations, etc. affecting resources used without donor restrictions and the composition of donor restrictions and its effect on use of resources.

Statement of Cash Flows

For purposes of the statement of cash flows, LCCF considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash equivalents.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to LCCF's ongoing activities. Non-operating activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or non-recurring nature.

Fixed Assets

Fixed Assets include land and buildings and are recorded at cost when the individual cost exceeds \$5,000 and have a useful life of greater than one year. When no historical records are available, land and buildings are valued at estimated historical cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. Buildings are depreciated the using the straight-line method over a forty (40) year estimated useful life.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program, support, and management and general services. Such allocations are determined by management on an equitable basis.

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments include Certificates of Deposit accounts with maturity dates greater than 3 months and are reported at their fair values in the statement of financial position. Interest income is recorded as an increase to net assets in the reporting period in which the income is recognized.

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2023, the carrying amount of LCCF's deposits and the collective bank balance was \$821,625. The cumulative bank balances at December 31, 2023 are covered by federal deposit insurance corporation. Custodial credit risk is the risk that in the event of a failure by the financial institution, LCCF's deposits may not be returned to it.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

Cash and Cash Equivalents	\$ 821,625
Investments	1,456,103
Grants Receivable	279,476
Accounts Receivable	25,307
Less Net Assets With Donor Restrictions	<u>-</u>
Total Financial Assets Available	
Within One Year	<u>\$ 2,582,511</u>

NOTE 5 – GRANTS RECEIVABLE

At December 31, 2023 grants receivable consisted of the following:

H2 the Future	\$ 6,178
USDA Alexandria	22,405
USDA Bastrop	32,181
Office of Louisiana Economic Development	71,038
Economic Development Administration (EDA)	71,847
Delta Regional Authority	<u>75,827</u>
Total	<u>\$ 279,476</u>

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 – ACCOUNTS RECEIVABLE

The outstanding balance in receivables at December 31, 2023 is as follows:

New Orleans and Company	\$ 25,306
Total	<u>\$ 25,306</u>

NOTE 7 – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject LCCF to credit risk consist principally of cash at financial institutions. Demand deposits, as reflected in the banks' records, are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023, LCCF's cash balances exceed the FDIC limit by \$321,625. LCCF believes it is not exposed to any significant credit risks on its cash balances.

NOTE 8 – INVESTMENTS

Investments consist primarily of certificates of deposit accounts. Investments are reported at fair value and are composed of the following at December 31, 2023:

	<u>Carrying Value</u>	<u>Fair Value</u>
Certificates of Deposit	<u>\$1,204,000</u>	<u>\$1,456,103</u>
Totals	<u>\$1,204,000</u>	<u>\$1,456,103</u>

Interest income is reported in the statement of activities and consists of interest earned on the CDs. Total interest income for the year ended December 31, 2023 was \$13,468.

NOTE 9 – FAIR VALUE MEASUREMENTS

LCCF adopted FASB ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value 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. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that LCCF can access.

Level 2: Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

LCCF's investments are classified as Level 2 within the fair value hierarchy. There have been no changes in the methodologies used at December 31, 2023. The carrying amount is a reasonable estimate of fair value for cash and cash equivalents.

Fair values of investments measured at December 31, 2023 are as follows:

Recurring Fair Value Measurements:	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Certificates of Deposit	-	\$ 1,456,103	-	\$ 1,456,103
Total Recurring Fair Value Measurements	-	\$ 1,456,103	-	\$ 1,456,103

NOTE 10 - CONTINGENCIES

LCCF is subject to possible examinations by regulatory agencies who determine compliance with laws and regulations governing grants provided to LCCF. These examinations may result in required refunds by LCCF to agencies and/or program beneficiaries.

NOTE 11 – LEASE ACCOUNTING

LCCF leases office space located at 2020 St. Charles Avenue in New Orleans, Louisiana. The term of this lease is month-to-month, beginning on October 1, 2023 and ending December 31, 2024. Monthly rent for this office space is \$0, as the space is donated.

LCCF also leases office space at a co-working business center located in Lake Charles, Louisiana. The term of the lease is month-to-month, beginning on May 8, 2023. The agreement continues until either party gives notice of at least thirty (30) days from the next payment date. Monthly rent for this office space is \$600.

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 – LEASE ACCOUNTING (CONTINUED)

It is LCCF's policy not to recognize right-of-use assets and lease liabilities for short-term (12 months or less) leases. Thus, LCCF did not apply lease guidance in FASB ASC 842, *Leases*, to any of its lease agreements during 2023. At December 31, 2023, total rent expenses were \$3,173.

NOTE 12 – FIXED ASSETS

During the prior year the Organization received land and buildings via an Act of Donation from a private entity. The details of the real estate transfer as presented in the Act of Donation were as follows:

Donor and Donee acknowledge and agree that the value of the Property donated and transferred herein is \$6,000,000. Therefore, this donation and bargain sale is made and accepted for and in consideration of the price and sum of Six Million (\$6,000,000) Dollars, which represents the appraised value of the Property with Donor donating and gifting the sum of Five Million Five Hundred Thousand (\$5,500,000) Dollars to Donee with the balance of consideration in the sum of Five Hundred Thousand (\$500,000) Dollars being paid by Donee through the delivery of a certain promissory note in the original principal amount of \$500,000 of even date herewith and payable to Donor, who hereby acknowledges the receipt thereof.

LCCF recorded a note payable in the prior year to reflect the obligation of \$500,000 related to the real estate donation.

As of December 31, 2023, fixed assets, net consisted of the following:

Land	\$ 720,000
Building	5,280,000
Less: Accumulated Depreciation	<u>(135,385)</u>
Total Fixed Assets, Net	<u>\$ 5,864,615</u>

Depreciation expense totaled \$135,385 for the year ended December 31, 2023.

NOTE 13 – DEFERRED REVENUE

LCCF received \$1,998,256 from the Small Business Association (SBA) in 2023. The funds are designated for specific project activities, which have not been initiated as of the end of the audit period. Accordingly, those funds are recorded as deferred revenue in the statement of financial position. Those funds, when expended in subsequent periods, will be considered federal expenditures and subject to single audit.

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14 – NOTE PAYABLE

LCCF reported a note payable for \$500,000 in connection with a prior year Act of Donation and Bargain Sale transaction.

NOTE 15 - SUBSEQUENT EVENTS

LCCF is required to evaluate events or transactions that may have occurred after the statement of financial position date for potential recognition or disclosure in the financial statements. LCCF performed such an evaluation through February 18, 2025, the date of these financial statements. No subsequent events have been evaluated for inclusion in the financial statements past this date. Management has noted that there are no additional disclosures or adjustments required to these financial statements.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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 of
Louisiana Chamber of Commerce Foundation, Inc.
New Orleans, 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, the financial statements of Louisiana Chamber of Commerce Foundation, Incorporated ("LCCF"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LCCF'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of LCCF's internal control. Accordingly, we do not express an opinion on the effectiveness of LCCF's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination 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 controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and management responses as Findings #2023-001, #2023-002, and #2023-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LCCF's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and management responses as Finding #2023-003.

LCCF's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
February 18, 2025

**LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

An unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified? X yes no

Significant deficiencies identified
not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Not applicable, as LCCF did not expend \$750,000 or more in federal funding during the year ended December 31, 2023.

**LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings

**FINDING #2023-001 PROCEDURES AND INTERNAL CONTROLS RELATED
TO PAYROLL AND HR NOT ADEQUATE – MATERIAL
WEAKNESS**

CRITERIA: LCCF's policies and procedures require that employees be compensated at approved pay rates or salaries, as indicated in the offer letters or similar documentation. Additionally, those policies require that detailed personnel time sheets be prepared and maintained on file.

CONDITION: We reviewed the internal controls, policies and procedures regarding payroll and human resources (HR), and noted the procedures and internal controls did not appear adequate. Our work included the examination of payroll transactions related to eight (8) employees and noted the following exceptions:

- LCCF did not prepare and maintain detailed time sheets on file for personnel.
- We performed recalculations of the gross pay per the payroll registers for seven (7) employees based on their stated number of hours and pay rate. We noted mathematical errors on each of the payroll register transactions examined. We also noted that authorized pay rates were not indicated for five (5) employees on the provided payroll registers.
- We examined HR offer letters and payroll documentation for eight (8) employees. The supporting documentation provided did not include evidence of management approval (dates, signatures, etc.).

CAUSE: We were unable to determine the cause of the finding.

EFFECT: We were unable to determine whether all employees were compensated at the proper pay rates or approved salaries.

**LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Finding #2023-001 (Continued)

RECOMMENDATION: LCCF should perform a comprehensive review of the organization's controls over HR and payroll and implement effective procedures.

MANAGEMENT'S RESPONSE: Management recognizes the importance of proper internal controls related to HR and payroll transactions. During the year 2024 we engaged an experienced accounting consulting firm to provide HR and payroll services. This has addressed the matters noted above by the auditors.

FINDING #2023-002 PROCEDURES AND INTERNAL CONTROLS RELATED TO WIRE TRANSFERS NOT ADEQUATE – MATERIAL WEAKNESS

CRITERIA: Best practices for adequate internal controls provide that adequate documentation be maintained to support invoice approvals and funds disbursement. Segregation of duties be implemented related to these functions.

CONDITION: Our review of the internal controls, policies and procedures indicated that LCCF did not have a documented policy related to wire transfer disbursements. Our detailed examination included eight (8) wire transfer disbursements totaling \$90,481. We noted that adequate supporting documentation was not on file that included wire transfer approval forms or similar documentation.

CAUSE: We were unable to determine the cause for this condition.

EFFECT: Internal controls were not adequate to mitigate the risk of errors or irregularities related to wire transfer disbursements that might occur and not be identified on a timely basis.

RECOMMENDATION: LCCF should develop and implement a policy related to wire transfer disbursements.

MANAGEMENT'S RESPONSE: Management has updated LCCF's accounting policy manual to address wire transfer disbursements.

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023

**FINDING #2023-003 TIMELY SUBMISSION OF ANNUAL AUDIT REPORT
(NON-COMPLIANCE)**

CRITERIA: Louisiana Revised Statute 24:513 requires that Agencies receiving federal, state, or local government funding from the State of Louisiana submit an independent financial statement engagement to the Louisiana Legislative Auditor's (LLA) office within six months from their fiscal year end.

CONDITION: LCCF did not complete and submit its independent audit report within the required deadline. The LLA granted LCCF a non-emergency extension; however, this finding is still a requirement for the audit report.

CAUSE: LCCF did not provide audit-ready financial statements on a timely basis.

EFFECT: Late submission causes the auditee to be put on the non-compliance list (if they are not granted a non-emergency extension) and can result in withholding of state and/or federal pass-through funding to the auditee.

RECOMMENDATION: LCCF should implement policies and procedures to ensure timely filing of any and all required reports.

MANAGEMENT'S
RESPONSE: LCCF has implemented administrative procedures to ensure the independent audit firm is engaged on timely basis including filing of all required reports.

**FINDING #2023-004 ACCOUNTING FOR REVENUES WITH DONOR
RESTRICTIONS AND RELEASES FROM RESTRICTIONS
– MATERIAL WEAKNESS**

CRITERIA: Generally accepted accounting principles (GAAP) requires that financial statements present complete presentations of financial position and statement of activities.

CONDITION: The LCCF did not support documentation regarding the accounting for revenue restrictions and releases from restrictions.

**LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Finding #2023-004 (Continued)

CAUSE:	We were unable to determine the cause for this condition.
EFFECT:	We were unable to determine if all restricted revenues were consumed during the current period and accordingly released from restrictions.
RECOMMENDATION:	We recommend that LCCF maintain proper accounting for restricted revenues that include the detail supporting the releases from restrictions.
MANAGEMENT'S RESPONSE:	LCCF has engaged a new financial accounting and consulting firm in 2024. The firm will maintain detailed schedules of restricted revenues and related releases as noted by the auditor.

**LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

LCCF was not audited for the year ended December 31, 2022, so there are no financial statement findings to report.

**LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO EXECUTIVE DIRECTOR
FOR THE YEAR ENDED DECEMBER 31, 2023**

Agency Head: David St. Etienne, President

Purpose	Amount
Salary	\$ 99,365
Payroll Taxes	7,601
Benefits-Health Insurance	12,605
Car Allowance	-
Per diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Continuing Professional Education Fees	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Total	\$ <u>119,571</u>

The accompanying notes are an integral part of the financial statements



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

LOUISIANA CHAMBER OF COMMERCE FOUNDATION, INC.

AGREED UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Louisiana Chamber of Commerce Foundation, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Louisiana Chamber of Commerce Foundation, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Louisiana Chamber of Commerce Foundation, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: *The policies and procedures appropriately address the required elements above.*

New Orleans Office: 1100 Poydras Street, Suite 1225 / New Orleans, LA 70163 / (504)561-8600
Memphis Office: 1661 International Drive, Suite 441 / Memphis, TN 38120 / (901)202-4688
Atlanta Office: 1201 Peachtree St. NE, Suite 200 Unit 363 / Atlanta, GA 30328 / (678)971-3700

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

***Results:** The policies and procedures appropriately address how purchases are initiated, how vendors are added to the vendor list, and the preparation and approval process of purchase requisitions and purchase orders. However, we did not observe any policies regarding controls to ensure compliance with public bid law or documentation required to be maintained for all bids and quotes.*

***Management's Response:** Management will update the policies and procedures to include the subtopics mentioned above.*

- c) **Disbursements**, including processing, reviewing, and approving.

***Results:** The policies and procedures appropriately address the required elements above.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

***Results:** The policies and procedures appropriately address the required elements above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

***Results:** The policies and procedures appropriately address the required elements above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

***Results:** The policies and procedures appropriately address services requiring written contracts and approval. However, we were unable to observe any policies and procedures regarding standard terms and conditions, legal review, approval process, or monitoring process.*

***Management's Response:** Management will update the policies and procedures to include the subtopics mentioned above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Results: *The policies and procedures appropriately address the how cards are to be controlled, allowable business uses, documentation requirements, and required approvers of statements, but do not address monitoring of card usage.*

Management's Response: *Management will update the policies and procedures to include the subtopics mentioned above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: *The policies and procedures address allowable expenses, documentation requirements, and required approvers, but do not address dollar thresholds by category of expense.*

Management's Response: *Management will update the policies and procedures to include the subtopics mentioned above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: *Not applicable, as the Entity is a non-profit.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: *Not applicable, as the Entity is a non-profit.*

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: *We were unable to observe any policies and procedures addressing the required elements above.*

Management's Response: *Management will update the policies and procedures to include the subtopics mentioned above.*

- l) Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: *Not applicable, as the Entity is a non-profit.*

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: *We observed that the board met with a quorum on a frequent basis in accordance with the board's enabling legislation. No exceptions were noted.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Results: *We reviewed the board meeting minutes for the 2023 fiscal period and noted no exceptions.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *Not applicable, as the Entity did not have a prior year audit report.*

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

e) **Results:** *Not applicable, as the Entity did not have a prior year audit report.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Results: *We obtained a listing of the Entity's bank accounts for the 2023 fiscal period and management's representation that the listing was complete. We randomly selected December 2023 for testing, obtained and inspected the corresponding bank statements and reconciliations, and observed the following:*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: *Per review of the 2 bank statements and bank reconciliations, we noted that each had evidence (electronic timestamp) of being reconciled. All reconciliations were prepared within 2 months of the statement's closing date. No exceptions were noted.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: *We were unable to observe management approval on each bank reconciliation.*

Management's Response: *Management has implemented procedures that include signing bank reconciliations.*

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

Results: *We noted no reconciling items were outstanding for more than 12 months from year-end.*

- d) Review completed within 1 month of the date the reconciliation was prepared.

Results: We noted both reconciliations had evidence of management's review being completed within 1 month of the date the reconciliation was prepared. No exceptions were noted.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: Per discussion with management, the Entity does not collect or handle cash on site. They are located at 3541 Rue Michelle, New Orleans, LA 70131 and receive all payments via electronic deposit.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: Per discussion with management, the Entity does not collect or handle cash on site. They are located at 3541 Rue Michelle, New Orleans, LA 70131 and receive all payments via electronic deposit.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: *Per discussion with management, the Entity does not collect or handle cash on site. Therefore, this step is not applicable.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *Not applicable as the Entity does not collect or handle cash on site. All payments are received via electronic deposit.*

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: *Per discussion with management, the Entity does not have any locations that process payments. All payments are processed via electronic deposit.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: *Per discussion with management, the Entity does not have any locations that process payments as all deposits are processed electronically. We obtained a listing of the employees involved and the written policies and procedures relating to employee job duties and observed that the duties are properly segregated between President/CEO, Director of Administrative Affairs, and Vice President/COO.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *We performed the procedures detailed above and noted no exceptions.*

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3(a), randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: *We performed the procedures detailed above and noted no exceptions.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: *We noted that Louisiana Chamber of Commerce Foundation, Inc. did not have credit cards, bank debit cards, fuel cards, or P-cards during the year under audit.*

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Results: *Not applicable, as Louisiana Chamber of Commerce Foundation, Inc. did not have credit cards, bank debit cards, fuel cards, or P-cards during the year under audit.*

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

Results: *Not applicable, as Louisiana Chamber of Commerce Foundation, Inc. did not have credit cards, bank debit cards, fuel cards, or P-cards during the year under audit.*

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: *Not applicable, as Louisiana Chamber of Commerce Foundation, Inc. did not have credit cards, bank debit cards, fuel cards, or P-cards during the year under audit.*

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *Not applicable. Management confirmed there were no travel and travel-related expense reimbursements during the fiscal year 2023.*

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: *We noted that all contracts selected were not subject to Louisiana Public Bid Law.*

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: *We noted that contracts have support documentation with proper authorization from the President. No exceptions noted.*

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: *There were no contract amendments during the December 31, 2023, fiscal period.*

- d) Randomly select one payment from the fiscal period for each of the 3 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: *We tested one payment from each of contracts selected for the above requirements. No exceptions noted.*

Payroll and Personnel

- 17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: *We requested and obtained paid salaries and personnel files for a selection of five (5) employees. We noted the pay rates of four employees' personnel files did not agree to the payroll register provided by the client.*

Management's Response: *We've hired a new firm to assist with payroll. We expect it to be in better shape for the following year.*

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: *We were unable to verify daily attendance because the client does not utilize time sheets. However, the client provided emails containing supervisor approval. Employees did not accumulate sick/leave hours during the fiscal year. We noted the pay rates of four employees' personnel files did not agree to the payroll register provided by the client.*

Management's Response: *We've hired a new firm to assist with payroll. We expect it to be in better shape for the following year.*

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: *Per discussion with management, no employees received termination payments during the fiscal year.*

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: *We maintained management's representation that all portions of third-party payroll amounts were paid, and all associated forms were filed by the required deadlines. No exceptions noted.*

Ethics

Results: *Not applicable, as the Entity is a nonprofit.*

Debt Service

Results: *Not applicable, as the Entity is a nonprofit.*

Fraud Notice

21. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: There were no misappropriations of public funds or assets during the fiscal period.

22. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: We noted the required notice is posted on the premises, but we were unable to observe the required notice posted on the Entity's website.

Management's Response: LCCF will update its website to include the required notice.

Information Technology Disaster Recovery/Business Continuity

23. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Results: We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

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

Results: We performed the procedure and discussed the results with management.

25. Observed evidence that employees with access to the agency's information technology assets have received cybersecurity training as required by R.S. 42:1267.

Results: We performed the procedure and discussed the results with management.

Sexual Harassment

Results: Not applicable, as the Entity is a non-profit.

We were engaged by Louisiana Chamber of Commerce Foundation, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Louisiana Chamber of Commerce Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
February 18, 2025