

Chamber of Southwest Louisiana

COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

December 31, 2024

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying combined statements of assets, liabilities, and net assets - cash basis of the Chamber of Southwest Louisiana and the Southwest Louisiana Alliance Foundation, Inc. (the Chamber) (nonprofit organizations) as of December 31, 2024 and 2023, and the related combined statements of revenue, expenses, and other changes in net assets - cash basis and combined statements of functional expenses - cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined assets, liabilities, and net assets of the Chamber, as of December 31, 2024 and 2023, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

Basis for Opinion

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

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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 Chamber of Southwest Louisiana and the Southwest Louisiana Alliance Foundation, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

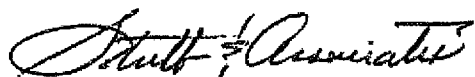
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining financial statements and the schedule of compensation, benefits, and other payments to agency head or chief executive officer listed as supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of the Chamber. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025, on our consideration of the Chamber's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Chamber's internal control over financial reporting and compliance.



Lake Charles, Louisiana
June 20, 2025

**The Chamber of Southwest Louisiana
COMBINED STATEMENTS OF ASSETS,
LIABILITIES, AND NET ASSETS - CASH BASIS
December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,041,630	\$ 2,604,945
Restricted cash	<u>564,433</u>	<u>492,903</u>
Total Current Assets	3,606,063	3,097,848
 PROPERTY AND EQUIPMENT		
Furniture, fixtures, and equipment	431,096	424,003
Accumulated depreciation	<u>(410,768)</u>	<u>(404,402)</u>
Net Property and Equipment	<u>20,328</u>	<u>19,601</u>
 TOTAL ASSETS	 <u><u>\$ 3,626,391</u></u>	 <u><u>\$ 3,117,449</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll liabilities	<u>\$ 29,258</u>	<u>\$ 11,183</u>
Total Current Liabilities	29,258	11,183
 NET ASSETS		
Without donor restrictions	3,523,388	3,018,281
With donor restrictions	<u>73,745</u>	<u>87,985</u>
Total Net Assets	<u>3,597,133</u>	<u>3,106,266</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 3,626,391</u></u>	 <u><u>\$ 3,117,449</u></u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND
OTHER CHANGES IN NET ASSETS - CASH BASIS
Years Ended December 31, 2024 and 2023

	2024			2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support, and Gains						
Membership dues	\$ 734,325	\$ -	\$ 734,325	\$ 788,914	\$ -	\$ 788,914
SWLA on the Move Campaign	808,002	-	808,002	743,555	-	743,555
Programs (including revenues of nonfinancial assets of \$149,016 for the year ending December 31, 2024 and \$122,069 for the year ending December 31, 2023)	726,881	30,000	756,881	654,697	30,000	684,697
Rental income	174,385	-	174,385	180,981	-	180,981
Grants	660,201	-	660,201	375,715	-	375,715
Interest income	32,751	-	32,751	17,266	-	17,266
Total Revenue and Gains	3,136,545	30,000	3,166,545	2,761,128	30,000	2,791,128
Net Assets Released from Restrictions	44,240	(44,240)	-	120,870	(120,870)	-
Total Revenue, Support, and Gains	3,180,785	(14,240)	3,166,545	2,881,998	(90,870)	2,791,128
Expenses						
Program service	2,429,043	-	2,429,043	2,251,009	-	2,251,009
Management and general	193,528	-	193,528	182,534	-	182,534
Fundraising	53,107	-	53,107	52,511	-	52,511
Total Expenses	2,675,678	-	2,675,678	2,486,054	-	2,486,054
Increase (Decrease) in Net Assets	505,107	(14,240)	490,867	395,944	(90,870)	305,074
Net Assets at Beginning of Year	3,018,281	87,985	3,106,266	2,622,337	178,855	2,801,192
Net Assets at End of Year	\$ 3,523,388	\$ 73,745	\$ 3,597,133	\$3,018,281	\$ 87,985	\$3,106,266

See notes to the combined financial statements

The Chamber of Southwest Louisiana
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS
Years Ended December 31, 2024 and 2023

	2024				2023			
		<u>Management</u>				<u>Management</u>		
	<u>Program</u>	<u>and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program</u>	<u>and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 248,744	\$ -	\$ -	\$ 248,744	\$ 217,411	\$ -	\$ -	\$ 217,411
Auto	15,983	1,776	-	17,759	20,688	2,299	-	22,987
Depreciation	5,729	637	-	6,366	4,720	524	-	5,244
Dues and subscriptions	11,492	-	-	11,492	11,833	-	-	11,833
Employee training	10,734	1,193	-	11,927	13,644	1,516	-	15,160
Employee benefits	107,123	19,756	6,533	133,412	122,892	19,460	6,496	148,848
Insurance	11,778	1,309	-	13,087	11,556	1,284	-	12,840
Office	166,930	18,548	-	185,478	96,767	10,752	-	107,519
Outside service	-	-	-	-	8,755	-	-	8,755
Payroll taxes	50,154	9,250	3,059	62,463	60,666	9,606	3,207	73,479
Professional fees	38,385	4,265	-	42,650	33,165	3,685	-	36,850
Program expenses (Note D)	916,860	-	-	916,860	700,248	-	-	700,248
Rent	112,179	3,476	-	115,655	119,495	3,476	-	122,971
Salaries	713,530	131,594	43,515	888,639	809,804	128,229	42,808	980,841
Travel	3,900	-	-	3,900	4,034	-	-	4,034
Telephone	15,522	1,724	-	17,246	15,331	1,703	-	17,034
TOTAL EXPENSES	<u>\$2,429,043</u>	<u>\$ 193,528</u>	<u>\$ 53,107</u>	<u>\$2,675,678</u>	<u>\$2,251,009</u>	<u>\$ 182,534</u>	<u>\$ 52,511</u>	<u>\$2,486,054</u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

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

Nature of Activities

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

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

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

Basis of accounting

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

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Statement Presentation

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

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Use of estimates

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

Cash and Cash Equivalents

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

Property and Equipment

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

Furniture, fixtures, and equipment	3-7 years
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Depreciation expense for the years ending December 31, 2024 and 2023 was \$6,366 and \$5,244, respectively.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Support and Revenue

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

Contributed Materials and Services

Donated materials, supplies, and advertising are reflected in the financial statements at their estimated market values as determined by current prices at the date of receipt. For the year ending December 31, 2024, the total value of donated materials included in revenue was \$149,016, with a corresponding charge to the applicable expense. Of this, \$124,016 was related to specific program expenses: \$50,000 for the Annual Banquet, \$51,800 for LegisGator Luncheon, \$6,016 for the Golf Tournament, and \$16,200 for other program-related costs. Additionally, \$25,000 of donated advertising was for various programs. \$122,069 has been included in revenues for year ending December 31, 2023 with a corresponding charge to the applicable expense. \$97,069 of the donated program revenue was related to specific program expenses: \$46,452 for the Annual Banquet, \$40,825 for LegisGator Luncheon, \$6,742 for the Golf Tournament, and \$3,050 for other program-related costs. Additionally, \$25,000 of donated advertising was for various programs.

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

Advertising Costs

The Organization uses advertising to promote Southwest Louisiana in order to increase economic growth and quality of life for the region. Advertising costs are charged to operations when incurred. Total advertising costs for the years ended December 31, 2024 and 2023 amounted to \$248,744 and \$217,411, respectively.

Functional Allocation of Expenses

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

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

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

NOTE B – LEASING ARRANGEMENTS

The Chamber entered into a lease agreement with McNeese State University for the SEED Center on May 17, 2013. The lease is effective until December 31, 2043. Minimum annual rent beginning the effective date of the lease is \$33,755. In accordance with the lease agreement, rent is adjusted annually to reflect lease operating costs. The total rent expense for the years ending December 31, 2024 and 2023 was \$34,563 and \$34,563, respectively.

The following is a schedule of future minimum rental payments required for the lease with McNeese State University as of December 31, 2024:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$33,755
2026	33,755
2027	33,755
2028	33,755
2029	33,755
Thereafter	<u>472,570</u>
	<u>\$641,345</u>

The Chamber has agreed to sublease a portion of the space it occupies in the SEED Center to the Imperial Calcasieu Regional Planning & Development Commission (IMCAL). The sublease expired on July 31, 2023 and has continued on a month to month basis. The total rental income for the years ending December 31, 2024 and 2023 from IMCAL was \$30,000 and \$30,000, respectively. The total rental expense to McNeese State University for this space for the years ending December 31, 2024 and 2023 was \$13,474 and \$13,474, respectively.

As part of the Business Incubator Program, the Chamber is responsible for establishing sublease rental rates for leasing out space to small businesses and providing specific assistance needed to help them grow into larger, more profitable businesses. Rent collected in 2024 and 2023 in connection with this program was \$117,906 and \$123,381, respectively. The lease agreement with McNeese State University established rental rates owed for space that is utilized for the Business Incubator Program. Rent paid in 2024 and 2023 in connection with this program was \$67,618 and \$74,934, respectively.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE C – RESTRICTIONS ON NET ASSETS

Board-Designated – The Chamber of Southwest Louisiana

In 2011, the Chamber sold their building and the Board of Directors approved the establishment of a board designated fund. The purpose of the fund is to segregate \$400,000 from the sale. There is no legal restriction requiring this, however it does require that the use of the funds will be decided by the Board of Directors. These funds were placed into separate checking accounts and the balance in these checking accounts as of December 31, 2024 and 2023 were \$520,688 and \$413,797.

Donor Restricted – The Chamber of Southwest Louisiana

The Chamber of Southwest Louisiana has donor restricted net assets to be used to promote and pursue any and all funding options for the construction of a new I-10 Bridge in Calcasieu Parish (Build Our Bridge). As of December 31, 2024 and 2023, the donor restricted balance of these funds were \$43,745 and \$44,421, respectively.

Donor Restricted - Southwest Louisiana Alliance Foundation, Inc.

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

<u>Program/Purpose</u>	<u>2024</u>	<u>2023</u>
Leader in Me Program	\$ -	\$13,564
Business Incubator	<u>30,000</u>	<u>30,000</u>
Total Donor Restricted Net Assets	<u>\$30,000</u>	<u>\$43,564</u>

NOTE D – PROGRAM SERVICES

Activity for the Organizations' major program activities is reported on the cash basis of accounting and may differ from the actual results from each activity due to the timing of the event. Listed below, on the cash basis, is the activity for each program for the year ended December 31, 2024:

<u>Program/Event</u>	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net Activity</u>
Annual Banquet	\$184,620	\$105,174	\$79,446
Build Our Bridge	-	857	(857)
Business after Hours	2,800	2,156	644
Business Incubator	55,000	30,283	24,717
Chamber Day	15,985	7,282	8,703
Economic Development	100,755	359,932	(259,177)
Annual Golf Tournament	50,909	26,085	24,824
Leadership	78,500	52,414	26,086
Leader In Me	-	34,678	(34,678)
LegisGator Luncheon	261,477	116,008	145,469

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE D – PROGRAM SERVICES - CONTINUED

<u>Program/Event</u>	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net Activity</u>
Public Policy	5,500	130,439	(124,939)
Women’s Business Network	1,335	2,803	(1,468)
COVID-19 Recovery Program	-	48,749	(48,749)
	<u>\$756,881</u>	<u>\$916,860</u>	<u>\$(159,979)</u>

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

<u>Program/Event</u>	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net Activity</u>
Annual Banquet	\$187,837	\$97,978	\$89,859
Build Our Bridge	-	2,042	(2,042)
Business after Hours	8,595	2,446	6,149
Business Incubator	29,620	41,323	(11,703)
Chamber Day	14,025	10,138	3,887
Economic Development	84,053	201,673	(117,620)
Business Expo	44,025	23,629	20,396
Annual Golf Tournament	48,305	29,961	18,344
Leadership	65,250	51,371	13,879
LegisGator Luncheon	186,455	87,608	98,847
Public Policy	11,257	131,961	(120,704)
Women’s Business Network	5,275	3,173	2,102
COVID-19 Recovery Program	-	16,945	(16,945)
	<u>\$684,697</u>	<u>\$700,248</u>	<u>\$ (15,551)</u>

NOTE E – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	<u>2024</u>
Cash and cash equivalents	\$3,041,630
Restricted cash	<u>564,433</u>
Financial assets at year-end	3,606,063
Less those unavailable for general expenditures within one year due to:	
Board-designated funds	(520,688)
Donor-restricted for specific programs	<u>(73,745)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$3,011,630</u>

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE E – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - CONTINUED

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

NOTE F – LINE OF CREDIT

As of December 31, 2024, pursuant to an agreement with Edward Jones, the Organization had available a \$70,886 revolving line of credit. The line is collateralized by the funds invested with Edward Jones. No borrowings occurred during 2024 or 2023.

NOTE G – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash accounts in commercial banks. Cash is secured by FDIC insurance up to \$250,000 at each financial institution. As of December 31, 2024 and 2023, cash balances totaling \$14,885 and \$81,989 exceeded FDIC coverage and therefore were uninsured.

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

NOTE H – RETIREMENT PLAN

The Organization makes available to eligible employees the opportunity to participate in a defined contribution retirement plan. The Organization matches employee contributions up to 5% of employee compensation. Retirement expense for the years ended December 31, 2024 and 2023 was \$21,742 and \$20,538, respectively.

NOTE I – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 20, 2025, the date when the financial statements were available to be issued.

The Chamber of Southwest Louisiana
COMBINING STATEMENTS OF ASSETS,
LIABILITIES, AND NET ASSETS - CASH BASIS
December 31, 2024

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Total
ASSETS			
Cash and cash equivalents	\$ 1,412,753	\$ 1,628,877	\$ 3,041,630
Restricted cash	564,433	-	564,433
Property and equipment			
Furniture, fixtures, and equipment	65,188	365,908	431,096
Accumulated depreciation	<u>(59,471)</u>	<u>(351,297)</u>	<u>(410,768)</u>
	<u>5,717</u>	<u>14,611</u>	<u>20,328</u>
TOTAL ASSETS	<u><u>\$ 1,982,903</u></u>	<u><u>\$ 1,643,488</u></u>	<u><u>\$ 3,626,391</u></u>
LIABILITIES			
Payroll liabilities	<u>\$ 29,258</u>	<u>\$ -</u>	<u>\$ 29,258</u>
Total Liabilities	29,258	-	29,258
NET ASSETS			
Without donor restrictions	1,909,900	1,613,488	3,523,388
With donor restrictions	<u>43,745</u>	<u>30,000</u>	<u>73,745</u>
Total Net Assets	<u>1,953,645</u>	<u>1,643,488</u>	<u>3,597,133</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,982,903</u></u>	<u><u>\$ 1,643,488</u></u>	<u><u>\$ 3,626,391</u></u>

See Independent Auditors' Report

The Chamber of Southwest Louisiana
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND OTHER CHANGES IN NET ASSETS - CASH BASIS
For the year ended December 31, 2024

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Total
REVENUES			
Membership dues	\$ 734,325	\$ -	\$ 734,325
SWLA on the Move campaign	-	808,002	808,002
Programs	581,798	175,083	756,881
Rental income	-	174,385	174,385
Grants	-	660,201	660,201
Interest income	19,972	12,779	32,751
Total revenues	1,336,095	1,830,450	3,166,545
EXPENSES			
Total expenses	1,257,270	1,418,408	2,675,678
Change in net assets	78,825	412,042	490,867
Net assets at beginning of year - Cash Basis	1,874,817	1,231,449	3,106,266
Net assets at end of year - Cash Basis	\$ 1,953,642	\$ 1,643,491	\$ 3,597,133

See Independent Auditors' Report

The Chamber of Southwest Louisiana
COMBINING STATEMENTS OF EXPENSES - CASH BASIS
For the year ended December 31, 2024

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Total
Advertising	\$ 70,486	\$ 178,258	\$ 248,744
Auto	16,326	1,433	17,759
Depreciation	1,835	4,531	6,366
Dues and subscriptions	8,915	2,577	11,492
Employee training	7,712	4,215	11,927
Employee benefits	76,449	56,963	133,412
Insurance	9,100	3,987	13,087
Office	103,187	82,291	185,478
Payroll taxes	36,473	25,990	62,463
Professional fees	20,950	21,700	42,650
Program expenses (Note D)	425,781	491,079	916,860
Rent	21,788	93,867	115,655
Salaries	446,742	441,897	888,639
Travel	3,329	571	3,900
Telephone	8,197	9,049	17,246
	<u>\$ 1,257,270</u>	<u>\$ 1,418,408</u>	<u>\$ 2,675,678</u>

See Independent Auditors' Report

The Chamber of Southwest Louisiana

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

For the Year ended December 31, 2024

AGENCY HEAD NAME: George Swift, Executive Director

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$167,695
Benefits	
Insurance	9,345
Retirement	10,453
Car Allowance	7,200
Fuel Purchases	2,426
Conference Travel	<u>11,784</u>
TOTAL	<u><u>\$208,903</u></u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of the Chamber of Southwest Louisiana and the Southwest Louisiana Alliance Foundation, Inc. (the Chamber) (nonprofit organizations), which comprise of the combined statements of assets, liabilities, and net assets - cash basis as of December 31, 2024 and 2023, and the related combined statements of revenue, expenses, and other changes in net assets - cash basis and combined statements of functional expenses - cash basis for the years then ended, and the related notes to the financial statements, and have issued our report thereon, dated June 20, 2025.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-1 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

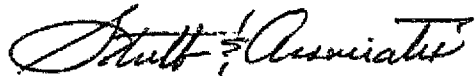
As part of obtaining reasonable assurance about whether the Chamber's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Chamber's Response to Findings

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

Purpose of this Report

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



Lake Charles, Louisiana
June 20, 2025

Chamber of Southwest Louisiana
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Prior Audit

2023-1 Account Reconciliations

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

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

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

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

2023-2 Invoice Approval Documentation

Condition: The Organization's written policies and procedures regarding cash disbursements require an approved check request. During our audit, we discovered 22 disbursements totaling \$102,317 did not include an approved check request with the supporting detail for the cash disbursement.

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

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

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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Chamber of Southwest Louisiana and the Southwest Louisiana Alliance Foundation, Inc. (Collectively "the Chamber") and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Chamber is responsible for those C/C areas identified in the SAUPs.

The Chamber has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

2) Board or Finance Committee

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

3) Bank Reconciliations

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

4) Collections (excluding electronic funds transfers)

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

We performed the procedures above and noted no exceptions.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

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

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

8) Contracts

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

9) Payroll and Personnel

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

10) Ethics

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

11) Debt Service

These procedures are not applicable to the entity. The entity did not have any debt outstanding during 2024.

12) Fraud Notice

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

13) Information Technology Disaster Recovery/Business Continuity

There were no exceptions identified in this category for the year ending December 31, 2023 (Year 1), therefore this category is excluded from retesting for the year ending December 31, 2024 (Year 2).

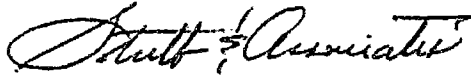
14) Prevention of Sexual Harassment

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

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

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

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

A handwritten signature in cursive script that reads "Stull & Associates".

Lake Charles, Louisiana
June 18, 2025