

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

Financial Statements

**As of and for the Year Ended December 31, 2017
With Supplemental Information Schedules**

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 – 2
Financial Statements:	
Combined Statement of Financial Position	3
Combined Statement of Activities	4
Combined Statement of Functional Expenses	5
Combined Statement of Cash Flows	6
Notes to Financial Statements	7 – 13
Other Supplementary Information	
Combined Schedule of Financial Position	14
Combined Schedule of Activities	15
Schedule of Compensation, Benefits, and Other Payments to Agency Head	16
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 Standards</i>	17 – 18
Summary Schedule of Audit Findings	19

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Greater Shreveport Chamber of Commerce (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2017, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Greater Shreveport Chamber of Commerce as of December 31, 2017, 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.

Report on Summarized Comparative Information

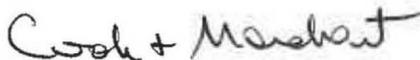
We have previously audited the Greater Shreveport Chamber of Commerce's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 27, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplemental information schedules shown on pages 14 – 16, are presented for the purpose of additional analysis and are not a required part of the combined financial statements of Greater Shreveport Chamber of Commerce. 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 combined 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 combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined 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 25, 2018, on our consideration of the Greater Shreveport Chamber of Commerce's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 Greater Shreveport Chamber of Commerce'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 Greater Shreveport Chamber of Commerce's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 25, 2018

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Financial Position
December 31, 2017
(with comparative amounts for 2016)

Assets	2017	2016
Current assets:		
Cash and cash equivalents	\$ 237,164	\$ 348,451
Investments	695,023	608,928
Grant receivable	36,758	35,730
Other receivables	65,877	50,077
Prepaid expenses	29,244	24,491
Total current assets	1,064,066	1,067,677
Noncurrent assets:		
Investment held for endowment purposes	302,291	333,352
Land held for development	1,641,088	1,641,088
Property and equipment, net	316,634	284,459
Total noncurrent assets	2,260,013	2,258,899
Total Assets	\$ 3,324,079	\$ 3,326,576
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 63,733	\$ 107,656
Deferred revenue	23,718	19,400
Current portion of capital lease obligation	10,437	
Current liabilities	97,888	127,056
Non-current liabilities:		
Capital lease obligation	37,980	
Total liabilities	135,868	
Net assets		
Unrestricted:		
Operating	806,991	736,928
Designated	151,487	191,693
Fixed assets	268,217	284,459
Land held for industrial park	1,641,088	1,641,088
Temporarily restricted	27,629	52,553
Permanently restricted	292,799	292,799
Total net assets	3,188,211	3,199,520
Total Liabilities and Net Assets	\$ 3,324,079	\$ 3,326,576

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Activities
For the Year Ended December 31, 2017
(with comparative amounts for 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2017	Totals 2016
Revenues, gains, support and reclassifications:					
Membership dues	\$ 724,429	\$	\$	\$ 724,429	\$ 754,084
Programs and projects	209,502			209,502	194,825
Rent	19,700			19,700	18,000
Grants and contracts	242,180			242,180	253,681
Contributions and donations	82,263	6,137		88,400	12,400
Interest and dividends	6			6	1,956
Investment return	98,693			98,693	68,613
Royalties	64,559			64,559	57,509
Miscellaneous	94,553			94,553	100,910
Net assets released from restrictions					
Satisfaction of program restrictions	31,061	(31,061)			
Total revenues, gains, and support	<u>1,566,946</u>	<u>(24,924)</u>		<u>1,542,022</u>	<u>1,461,978</u>
Expenses:					
Supporting services					
General and administrative	640,913			640,913	574,351
Programs services					
Public policy	128,312			128,312	318,210
Membership services	462,290			462,290	408,779
Government procurement center	321,816			321,816	276,972
Total expenses	<u>1,553,331</u>			<u>1,553,331</u>	<u>1,578,312</u>
Change in net assets	13,615	(24,924)		(11,309)	(116,334)
Net assets, beginning of year	<u>2,854,168</u>	<u>52,553</u>	<u>292,799</u>	<u>3,199,520</u>	<u>3,315,854</u>
Net assets, end of year	<u>\$ 2,867,783</u>	<u>\$ 27,629</u>	<u>\$ 292,799</u>	<u>\$ 3,188,211</u>	<u>\$ 3,199,520</u>

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Functional Expenses
For the Year Ended December 31, 2017
(with comparative amounts for 2016)

	Support Services	Program Services			Total	Totals	
	General and Administrative	Public Policy	Membership Services	Government Procurement Center		2017	2016
Salaries and commissions	\$ 296,560	\$ 21,262	\$ 93,593	\$ 199,571	\$ 314,426	\$ 610,986	\$ 635,273
Payroll taxes	21,545	2,305	7,082	15,562	24,949	46,494	50,067
Pension expense	26,472	2,268	6,133	15,906	24,307	50,779	45,590
Other employee benefits	33,121	737	13,450	26,689	40,876	73,997	71,581
Advertising	6		2,785		2,785	2,791	7,062
Liability insurance	21,719					21,719	20,995
Building Rent	34,200					34,200	34,036
Office supplies	5,461		391	5,190	5,581	11,042	8,156
Periodicals and dues	8,656			3,327	3,327	11,983	12,389
Postage	1,087		2,312	230	2,542	3,629	3,020
Professional expense	13,776					13,776	12,964
Photocopy and printing	514		153	213	366	880	2,781
Travel	1,273	7,718	753	7,576	16,047	17,320	38,829
Members/prospect development			8,897		8,897	8,897	8,616
Luncheons and receptions	11,585	20	711	5,187	5,918	17,503	21,044
Contract labor	1,990					1,990	8,300
Computer hardware / software	17,645	660		18,482	19,142	36,787	37,445
Professional development	89	96		4,847	4,943	5,032	2,690
Repairs and maintenance	1,185	91	3,552	5,113	8,756	9,941	5,809
Custodial / building maintenance	43,930					43,930	43,779
Telephone	10,401	510	1,397	8,643	10,550	20,951	25,095
Utilities	25,047					25,047	24,429
Miscellaneous	11,849	9,626	2,849		12,475	24,324	31,420
Annual meeting expenses			16,169		16,169	16,169	12,887
Leadership programs	3,361		80,055		80,055	83,416	67,611
Women's business council	13,093					13,093	15,587
Minority business council	14,360					14,360	11,934
Shreveport Opportunity		82,263			82,263	164,526	85,284
Special events			74,520		74,520	74,520	68,563
Reserve for bad debts			140,248		140,248	140,248	79,343
Investments	6,406					6,406	7,517
Development	3,372					3,372	52,092
Depreciation	12,210	756	7,240	5,280	13,276	25,486	26,124
Total expenses	\$ 640,913	\$ 128,312	\$ 462,290	\$ 321,816	\$ 912,418	\$ 1,553,331	\$ 1,578,312

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Cash Flows
For the Year Ended December 31, 2017
(with comparative amounts for 2016)

	2017	2016
Operating Activities		
Changes in net assets	\$ (11,309)	\$ (116,334)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	25,486	26,124
Net realized and unrealized (gains)/losses on investments	(92,501)	(60,977)
Interest and dividends restricted for investment in endowment	(7,487)	(7,568)
(Increase) decrease in operating assets:		
Grants receivable	(1,028)	(15,978)
Other receivables	(15,800)	13,237
Prepaid expenses	(4,753)	26,596
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(43,923)	15,538
Deferred revenue	4,318	(64,158)
Net cash (used) by operating activities	(146,997)	(183,520)
Investing Activities		
Proceeds from sale of investments	35,000	256,800
Purchase of investments	2,467	(40,000)
Net cash provided by investing activities	37,467	216,800
Financing Activities		
Repayments of capital lease	(9,244)	
Interest and dividends restricted for investment in endowment	7,487	7,568
Net cash provided (used) by financing activities	(1,757)	7,568
Net increase (decrease) in cash and cash equivalents	(111,287)	40,848
Cash and cash equivalents as of beginning of year	348,451	307,603
Cash and cash equivalents as of end of year	\$ 237,164	\$ 348,451
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Equipment purchased under capital lease	\$ 57,661	\$
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 3,541	\$

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

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2017

(1) Summary of Significant Accounting Policies

A. Principles of Combination

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

B. Nature of Activities

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

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

Business Development Councils - provide professional programs that inform women and minorities in business about current business conditions.

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

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

The Forms 990, "Return of Organization Exempt from Income Taxes" for the Greater Shreveport Chamber of Commerce and the Greater Shreveport Industrial Park Development Foundation, Inc. for the years ending 2014, 2015, 2016 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

C. Basis of Accounting

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

D. Use of Estimates

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

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

E. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

F. Deferred Revenue

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

G. Cash and Cash Equivalents

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

H. Investments

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

I. Property and Equipment

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

J. Restricted and Unrestricted Revenue and Support

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

K. Advertising Costs

The Chamber uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. During 2017, advertising costs totaled \$2,791.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

L. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Chamber's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

M. Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy are described as follows:

Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: significant other observable inputs 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.

Level 3: significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

N. Endowment Funds

Endowment funds represent assets and net assets that are subject to permanent restriction by gift instruments as prescribed by donors. The principal amount, based on historical gift value, is to be maintained permanently. The income derived from each permanent endowment is appropriated and allocated to temporary restricted revenue per the donor's specifications. Use of those funds are approved by donor upon request of the Chamber.

(2) Concentrations of Credit Risk

Concentrations of credit risk with respect to other accounts receivable are limited due to the large number of contributors comprising the Chamber's contributor base and their dispersion across different industries, and an amount for royalty income for 2017 not received until 2018. As of December 31, 2017, the Chamber had no significant concentrations of credit risk in relation to other accounts receivable.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due under contractual terms. As of December 31, 2017, the Chamber had no significant concentrations of credit risk in relation to grant receivables.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

The Chamber maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2017, total cash balances held at financial institutions was \$241,263. This entire amount was secured the FDIC.

(3) Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2017, consist of the following:

Cash, non-interest bearing	\$ 189,907
Cash, interest bearing, daily simple interest	<u>47,257</u>
	<u>\$ 237,164</u>

(4) Investments

The investments are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). Investments as of December 31, 2017 consisted of the following:

	<u>Fair Value</u>
Exchange – traded funds	\$ 659,289
Cash and cash alternatives	<u>35,734</u>
	<u>\$ 695,023</u>

Investment return for the year ended December 31, 2017, totaled \$92,501, which consisted of interest and dividend income of \$15,659, and realized and unrealized gains of \$76,842.

(5) Investment Held for Endowment Purposes

The investments are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). Investments held for endowment purposes as of December 31, 2017 consisted of the following:

	<u>Fair Value</u>
Cash and money market funds	\$ 68,005
Corporate bonds	<u>234,286</u>
	<u>\$ 302,291</u>

Investment return for the year ended December 31, 2017 totaled \$6,192, which consisted of \$7,487 interest and dividends and \$1,294 unrealized loss.

(6) Grants Receivable

The Chamber receives a federal grant that provides reimbursement of allowable costs under contract. This balance represents amounts due from the funding agency at December 31, 2017, but not received until after that date.

(7) Other Accounts Receivable

Other accounts receivable of \$65,877 at December 31, 2017 is comprised of membership dues and other miscellaneous amounts due at December 31, 2017 but not received until after that date. The other accounts receivable is shown net of a reserve for uncollectible accounts of \$73,499.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

(8) Land Held for Development

This represents \$686,068 of land purchased in Caddo Parish to develop an industrial park, as well as \$955,020 of development expenses. A portion of the land was purchased with city, state, and parish funds through cooperative endeavor agreements that provide certain restrictions on the property's sale or transfer. There was no activity during the year ended December 31, 2017.

(9) Property and Equipment

Property and equipment at December 31, 2017, with estimated depreciable life, are summarized as follows:

Land	N/A	\$ 100,000
Leasehold Improvements	30 years	293,986
Furniture, fixtures, equipment	5-10 years	<u>221,472</u>
		615,458
Accumulated Depreciation		<u>(298,824)</u>
		<u>\$ 316,634</u>

Depreciation expense for the year ended December 31, 2017, was \$25,486.

(10) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2017, consisted of the following:

Accounts payable	\$ 10,946
Accrued leave payable	<u>52,787</u>
	<u>\$ 63,733</u>

(11) Restrictions on Net Assets

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

Land improvements	\$ 12,000
Shreveport Opportunity Fund	6,137
Earnings on investment – endowment	<u>9,492</u>
	<u>\$ 27,629</u>

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

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

(12) Designated Net Assets

Unrestricted net assets of the Chamber at December 31, 2017, are designated for the following:

Building reserves	\$ 69,175
Business councils	30,634
Leadership	9,838
Young Professionals	21,453
I-49 Coalition	20,387
	<u>\$ 151,487</u>

(13) Employee Benefit Plans

The Chamber participates in a 401(k) profit-sharing plan whereby the Chamber makes contributions to the Plan each year equal to 8% of participating employee's compensation. Total expense for the year ended December 31, 2017, was approximately \$50,779.

(14) Operating Leases

The Chamber leases a building from the City of Shreveport requiring monthly payments of \$2,250 for thirty years with the option to renew for five successive ten year periods. The lease may be canceled at the lessor's option at any time with a partial reimbursement to the Chamber for leasehold improvements. The primary term of the lease expired in February, 2012, with an auto rental for an additional 10 years. Lease payments on this lease for the year ended December 31, 2017 totaled \$27,000.

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

2018	\$ 27,000
2019	27,000
2020	27,000
2021	27,000
2022	2,250
	<u>\$ 110,250</u>

In October 2017, the Chamber signed an operating lease for two copy machines with monthly payments of \$329 for thirty-six months. Lease payments on this lease for the year ended December 31, 2017 totaled \$986.

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

2018	\$ 3,948
2019	3,948
2020	2,961
	<u>\$ 10,857</u>

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

(15) Sub-Lease Revenue

During 2017, the Chamber leased office space to a third party on a month-to-month basis. Total rental revenue under the lease agreement was \$19,700 for 2017

(16) Capital Lease - Equipment

During January 2017, the Chamber entered into an agreement to retro fit current lighting to LED lighting. The lease agreement qualifies as a capital lease for accounting purposes. The LED lighting is included in capital assets at a cost of \$57,661, with accumulated depreciation of \$3,524, as of December 31, 2017. Interest has been imputed at a rate of 8.032%, and the Chamber will make monthly payments through 2022. The debt service requirements to maturity are as follows

<u>Year Ending</u> <u>December 31,</u>	
2018	\$ 13,947
2019	13,947
2020	13,947
2021	13,947
2022	<u>1,163</u>
Total minimum lease payments	56,951
Less amounts representing interest	<u>(8,534)</u>
Present value of minimum lease payments	48,417
Less current portion	<u>(10,437)</u>
	<u>\$ 37,980</u>

(17) Related Parties

Since 2012, the Chamber served as the fiscal agent for the Shreveport Bossier Business Alliance for Higher Education (SBBA) who engaged the contract services of Ashland Partners owned by Dr. Johnette Magner. In 2016, the Chamber independently hired Dr. Timothy Magner, the spouse of Dr. Johnette Magner, to serve as its President. The Board agreed that SBBA's pre-established contractual relationship with Ashland Partners could continue. Amounts paid to Ashland Partners were exclusively based upon funding raised by Ashland Partners for SBBA. A total of \$78,750 was paid to Ashland Partners during 2017

(18) Subsequent events

Subsequent events have been evaluated through June 25, 2018, the date the financial statements were available to be issued.

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Schedule of Financial Position
December 31, 2017

	General Fund	GSIPDF, Inc.	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 210,294	\$ 26,870	\$ 237,164
Investments	695,023		695,023
Grant receivable	36,758		36,758
Other receivables	65,812	65	65,877
Prepaid expenses	29,244		29,244
Total current assets	<u>1,037,131</u>	<u>26,935</u>	<u>1,064,066</u>
Noncurrent assets:			
Investment held for endowment purposes	302,291		302,291
Land held for development	1,641,088		1,641,088
Property and equipment, net	316,634		316,634
Total noncurrent assets	<u>2,260,013</u>		<u>2,260,013</u>
Total Assets	<u>\$ 3,297,144</u>	<u>\$ 26,935</u>	<u>\$ 3,324,079</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 62,215	\$ 1,518	\$ 63,733
Deferred revenue	23,718		23,718
Capital lease	10,437		10,437
Current liabilities	<u>96,370</u>	<u>1,518</u>	<u>97,888</u>
Long-term debt	<u>37,980</u>		<u>37,980</u>
Total liabilities	<u>134,350</u>	<u>1,518</u>	<u>135,868</u>
Net assets			
Unrestricted:			
Operating, undesignated	793,574	13,417	806,991
Operating, designated	151,487		151,487
Fixed assets	268,217		268,217
Land held for industrial park	1,641,088		1,641,088
Temporarily restricted	15,629	12,000	27,629
Permanently restricted	292,799		292,799
Total net assets	<u>3,162,794</u>	<u>25,417</u>	<u>3,188,211</u>
Total Liabilities and Net Assets	<u>\$ 3,297,144</u>	<u>\$ 26,935</u>	<u>\$ 3,324,079</u>

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Schedule of Activities
For the Year Ended December 31, 2017

	General Fund	GSIPDF, Inc.	Totals
Revenues, gains, and support			
Membership dues	\$ 724,429	\$	\$ 724,429
Programs and projects	209,502		209,502
Rent	19,700		19,700
Grants and contracts	242,180		242,180
Contributions and donations	88,400		88,400
Interest and dividends	6		6
Investment return	98,683	10	98,693
Mineral lease royalties	64,559		64,559
Miscellaneous	71,960	22,593	94,553
Total revenues, gains, and support	1,519,419	22,603	1,542,022
Expenses and losses:			
Supporting services			
General and administrative	640,913		640,913
Programs services			
Public policy	128,312		128,312
Membership services	439,759	22,531	462,290
Government procurement center	321,816		321,816
Total expenses	1,530,800	22,531	1,553,331
Change in net assets	(11,381)	72	(11,309)
Net assets, beginning of year	3,174,175	25,345	3,199,520
Net assets, end of year	\$ 3,162,794	\$ 25,417	\$ 3,188,211

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2017

Agency Head: Timothy Magner, President

There were no payments for compensation, benefits, and other derived from public funds during the year ended December 31, 2017.

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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*

Independent Auditors' Report

To the Board of Directors
Greater Shreveport Chamber of Commerce
Shreveport, 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 Greater Shreveport Chamber of Commerce (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2017, and the related combined 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 June 25, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

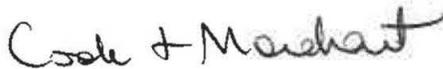
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Shreveport Chamber of Commerce'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 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*.

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.



Cook & Morehart
Certified Public Accountants
June 25, 2018

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Summary Schedule of Audit Findings
December 31, 2017

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year audit for the year ended December 31, 2016.

Corrective Action Plan for Current Year Audit Findings

There are no findings or management letter comments for the current year audit for the year ended December 31, 2017.