

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

Financial Statements

**As of and for the Year Ended December 31, 2018
With Supplemental Information Schedules**

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

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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, 2018, 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, 2018, 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.

Effect of Adopting New Accounting Standard

As described in Note 2 to the financial statements, the Greater Shreveport Chamber of Commerce adopted the Financial Accounting Standards Board's Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

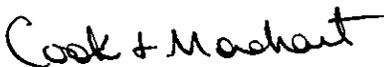
We have previously audited the Greater Shreveport Chamber of Commerce's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 25, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 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 15 – 17, 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, 2019, 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, 2019

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Financial Position
December 31, 2018
(with comparative amounts for 2017)

Assets	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents	\$ 206,214	\$ 237,164
Investments	651,211	695,023
Grant receivable	28,104	36,758
Other receivables	93,680	65,877
Prepaid expenses	33,046	29,244
Total current assets	<u>1,012,255</u>	<u>1,064,066</u>
Noncurrent assets:		
Investment held for endowment purposes	283,695	302,291
Land held for development	1,641,088	1,641,088
Property and equipment, net	302,663	316,634
Total noncurrent assets	<u>2,227,446</u>	<u>2,260,013</u>
 Total Assets	 <u>\$ 3,239,701</u>	 <u>\$ 3,324,079</u>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 82,628	\$ 63,733
Deferred revenue	42,308	23,718
Current portion of capital lease obligation	11,307	10,437
Current liabilities	<u>136,243</u>	<u>97,888</u>
Non-current liabilities:		
Capital lease obligation	<u>26,674</u>	<u>37,980</u>
Total liabilities	<u>162,917</u>	<u>135,868</u>
Net assets		
With donor restriction	295,695	320,428
Without donor restrictions	<u>2,781,089</u>	<u>2,867,783</u>
Total net assets	<u>3,076,784</u>	<u>3,188,211</u>
 Total Liabilities and Net Assets	 <u>\$ 3,239,701</u>	 <u>\$ 3,324,079</u>

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, 2018
(with comparative amounts for 2017)

	Without Donor Restriction	With Donor Restriction	Totals 2018	Totals 2017
Revenues, gains, support and reclassifications:				
Membership dues	\$ 614,975	\$	\$ 614,975	\$ 724,429
Programs and projects	212,991		212,991	209,502
Rent	26,025		26,025	19,700
Grants and contracts	270,230		270,230	242,180
Contributions and donations				88,400
Interest and dividends	22		22	6
Royalties	50,585		50,585	64,559
Miscellaneous	115,457		115,457	94,553
Net assets released from restrictions				
Satisfaction of program restrictions	24,733	(24,733)		
Total revenues, gains, and support	<u>1,315,018</u>	<u>(24,733)</u>	<u>1,290,285</u>	<u>1,443,329</u>
Expenses:				
Supporting services				
General and administrative	633,275		633,275	640,913
Programs services				
Public policy	18,455		18,455	128,312
Membership services	400,154		400,154	462,290
Government procurement center	307,420		307,420	321,816
Total expenses	<u>1,359,304</u>		<u>1,359,304</u>	<u>1,553,331</u>
Change in net assets from operations	(44,286)	(24,733)	(69,019)	(110,002)
Nonoperating activities				
Investment return, net	<u>(42,408)</u>		<u>(42,408)</u>	<u>98,693</u>
Total nonoperating activities	<u>(42,408)</u>		<u>(42,408)</u>	<u>98,693</u>
Change in net assets	(86,694)	(24,733)	(111,427)	(11,309)
Net assets, beginning of year	<u>2,867,783</u>	<u>320,428</u>	<u>3,188,211</u>	<u>3,199,520</u>
Net assets, end of year	<u>\$ 2,781,089</u>	<u>\$ 295,695</u>	<u>\$ 3,076,784</u>	<u>\$ 3,188,211</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, 2018
(with comparative amounts for 2017)

	Support Services		Program Services			Totals 2018	Totals 2017
	General and Administrative	Public Policy	Membership Services	Government Procurement Center	Total		
Salaries and commissions	\$ 317,853		\$ 96,944	\$ 169,052	\$ 265,996	\$ 583,849	\$ 610,986
Payroll taxes	20,927		7,344	14,638	21,982	42,909	46,494
Pension expense	27,005		7,808	14,476	22,284	49,289	50,779
Other employee benefits	31,810		15,442	21,643	37,085	68,895	73,997
Advertising			49,892		49,892	49,892	2,791
Liability insurance	21,061					21,061	21,719
Building Rent	34,188					34,188	34,200
Office supplies	3,410		31	2,121	2,152	5,562	11,042
Periodicals and dues	9,779			3,886	3,886	13,665	11,983
Postage	1,534			279	279	1,813	3,629
Professional expense	7,000			5,500	5,500	12,500	13,776
Photocopy and printing	842		570	1,781	2,351	3,193	880
Travel	379	8,024	621	6,668	15,313	15,692	17,320
Members/prospect development	785		10,487		10,487	11,272	8,897
Luncheons and receptions	8,956		634	12,079	12,713	21,669	17,503
Contract labor							1,990
Computer hardware / software	16,458			41,593	41,593	58,051	36,787
Professional development	1,698			550	550	2,248	5,032
Repairs and maintenance							9,941
Custodial / building maintenance	29,214					29,214	43,930
Telephone	10,661			8,117	8,117	18,778	20,951
Utilities	25,358					25,358	25,047
Miscellaneous	26,227	9,424	9,871		19,295	45,522	24,324
Annual meeting expenses			20,942		20,942	20,942	16,169
Leadership programs	2,071		51,678		51,678	53,749	83,416
Women's business council	10,480					10,480	13,093
Minority business council	13,491					13,491	14,360
Shreveport Opportunity							164,526
Special events			34,785		34,785	34,785	74,520
Reserve for bad debts			86,054		86,054	86,054	140,248
Development							3,372
Depreciation	12,088	1,007	7,051	5,037	13,095	25,183	25,486
Total expenses	\$ 633,275	\$ 18,455	\$ 400,154	\$ 307,420	\$ 726,029	\$ 1,359,304	\$ 1,629,188

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, 2018
(with comparative amounts for 2017)

	2018	2017
Operating Activities		
Changes in net assets	\$ (111,427)	\$ (11,309)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	25,183	25,486
Net realized and unrealized (gains) losses on investments	42,408	(92,501)
Interest and dividends restricted for investment in endowm	(7,544)	(7,487)
(Increase) decrease in operating assets:		
Grants receivable	8,654	(1,028)
Other receivables	(27,803)	(15,800)
Prepaid expenses	(3,802)	(4,753)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	18,895	(43,923)
Deferred revenue	18,590	4,318
Net cash (used) by operating activities	(36,846)	(146,997)
Investing Activities		
Proceeds from sale of investments	20,000	37,467
Payments for property and equipment	(11,212)	
Net cash provided by investing activities	8,788	37,467
Financing Activities		
Repayments of capital lease	(10,436)	(9,244)
Interest and dividends restricted for investment in endowment	7,544	7,487
Net cash (used) by financing activities	(2,892)	(1,757)
Net (decrease) in cash and cash equivalents	(30,950)	(111,287)
Cash and cash equivalents as of beginning of year	237,164	348,451
Cash and cash equivalents as of end of year	\$ 206,214	\$ 237,164
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	\$ 3,510	\$ 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, 2018

(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 2015, 2016, 2017 and 2018 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, 2018
(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 two classes of net assets:

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 objective of the organization. These net assets may be used at the discretion of Chamber's 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 Chamber or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Chamber has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

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.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2018
(Continued)

J. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

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 2018, advertising costs totaled \$49,892.

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 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 endowment is also restricted per the donor's specifications. Use of those funds are approved by donor upon request of the Chamber.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2018
(Continued)

O. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the function they benefit.

(2) Adoption of New Accounting Pronouncement

For the year ended December 31, 2018, the Chamber adopted the Financial Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amount previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

(3) 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 2018 not received until 2019. As of December 31, 2018, 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, 2018, the Chamber had no significant concentrations of credit risk in relation to grant receivables.

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, 2018, total cash balances held at financial institutions was \$215,021. This entire amount was secured the FDIC.

(4) 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, 2018.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2018
 (Continued)

(5) Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2018, consist of the following:

Cash, non-interest bearing	\$ 160,196
Cash, interest bearing, daily simple interest	<u>46,018</u>
	<u>\$ 206,214</u>

(6) 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, 2018 consisted of the following:

	<u>Fair Value</u>
Exchange – traded funds	\$ 628,118
Cash and cash alternatives	<u>23,093</u>
	<u>\$ 651,211</u>

Net investment loss for the year ended December 31, 2018, totaled \$43,812, which consisted of interest and dividend income of \$15,676, and realized and unrealized losses of \$59,488.

(7) 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, 2018 consisted of the following:

	<u>Fair Value</u>
Cash and money market funds	\$ 55,429
Corporate bonds	<u>228,266</u>
	<u>\$ 283,695</u>

Net investment return for the year ended December 31, 2018 totaled \$1,404, which consisted of \$7,544 interest and dividends and \$6,140 unrealized loss.

Activity in the endowment for the year ended December 31, 2018, is as follows:

Endowment net assets, beginning of year	\$ 302,291
Investment return	1,404
Appropriated for expenditure	<u>(20,000)</u>
Endowment net assets, end of year	<u>\$ 283,695</u>

(8) 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, 2018, but not received until after that date.

(9) Other Accounts Receivable

Other accounts receivable of \$93,680 at December 31, 2018 is comprised of membership dues and other miscellaneous amounts due at December 31, 2018 but not received until after that date. The other accounts receivable is shown net of a reserve for uncollectible accounts of \$39,532.

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2018
 (Continued)

(10) 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, 2018, was approximately \$49,289.

(11) Property and Equipment

Property and equipment at December 31, 2018, with estimated depreciable life, are summarized as follows:

Land	N/A	\$ 100,000
Leasehold Improvements	30 years	305,199
Furniture, fixtures, equipment	5-10 years	<u>181,029</u>
		586,228
Accumulated Depreciation		<u>(283,565)</u>
		<u>\$ 302,663</u>

Depreciation expense for the year ended December 31, 2018, was \$25,183.

(12) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2018, consisted of the following:

Accounts payable	\$ 43,451
Accrued leave payable	<u>39,177</u>
	<u>\$ 82,628</u>

(13) Net Assets

Net assets at December 31, 2018, consisted of the following:

Net Assets Without Donor Restrictions:		
Undesignated		\$ 751,205
Board designated:		
Building reserves	\$ 58,949	
Land held for development	1,641,088	
Business councils	20,178	
Leadership	14,702	
Young professionals	12,191	
I-49 Coalition	<u>18,093</u>	
Total board designated		1,765,201
Net investment in property and equipment		<u>264,683</u>
Total net assets without donor restrictions		<u>2,781,089</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for land improvements		12,000
J Pat Beaird Memorial permanent endowment		<u>283,695</u>
Total net assets with donor restrictions		<u>295,695</u>
Total Net Assets		<u>\$3,076,784</u>

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2018
 (Continued)

(14) Sub-Lease Revenue

During 2018, the Chamber leased office space to a third party on a month-to-month basis. Total rental revenue under the lease agreement was \$26,025 for 2018.

(15) Liquidity and Availability of Financial Assets

The Chamber monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Chamber has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Financial assets at year-end:	
Cash and cash equivalents	\$ 206,214
Investments	651,211
Investment held for endowment purposes	283,695
Accounts receivable	<u>121,784</u>
Total financial assets	1,262,904
Less amounts unavailable for general expenditures within one year:	
Net assets with donor restrictions	(295,695)
Less Board-designated assets which are designated for various purposes	<u>(124,113)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 843,096</u>

As reflected above, certain board-designated assets are designated for the various purposes, as further described in Note 13. These assets limited to use are not available for general expenditures within the next year and are, therefore, deducted from the amounts noted above. However, board designated amounts could be made available, if necessary.

In addition to financial assets available to meet general expenditures over the year, the Chamber anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies, membership dues, and income generated from various programs and projects.

(16) 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, 2018 totaled \$27,000.

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

2019	\$ 27,000
2020	27,000
2021	27,000
2022	<u>2,250</u>
	<u>\$ 83,250</u>

(Continued)

Greater Shreveport Chamber of Commerce
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2018
 (Continued)

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, 2018 totaled \$3,785.

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

2019		\$	3,947
2020			<u>2,959</u>
		\$	<u>6,906</u>

(17) 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 \$7,368, as of December 31, 2018. 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:

Year Ending December 31,			
2019		\$	13,947
2020			13,947
2021			13,947
2022			<u>1,163</u>
Total minimum lease payments			43,004
Less amounts representing interest		(<u>5,023)</u>
Present value of minimum lease payments			37,981
Less current portion		(<u>11,307)</u>
		\$	<u>26,674</u>

(18) Subsequent events

Subsequent events have been evaluated through June 25, 2019, the date the financial statements were available to be issued.

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Schedule of Financial Position
December 31, 2018

	General Fund	GSIPDF, Inc.	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 178,289	\$ 27,925	\$ 206,214
Investments	651,211		651,211
Grant receivable	28,104		28,104
Other receivables	93,680		93,680
Prepaid expenses	33,046		33,046
Total current assets	984,330	27,925	1,012,255
Noncurrent assets:			
Investment held for endowment purpose	283,695		283,695
Land held for development	1,641,088		1,641,088
Property and equipment, net	302,663		302,663
Total noncurrent assets	2,227,446		2,227,446
Total Assets	\$ 3,211,776	\$ 27,925	\$ 3,239,701
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expense:	\$ 80,128	\$ 2,500	\$ 82,628
Deferred revenue	42,308		42,308
Capital lease	11,307		11,307
Current liabilities	133,743	2,500	136,243
Long-term debt	26,674		26,674
Total liabilities	160,417	2,500	162,917
Net assets			
With donor restriction	283,695	12,000	295,695
Without donor restrictions	2,767,664	13,425	2,781,089
Total net assets	3,051,359	25,425	3,076,784
Total Liabilities and Net Assets	\$ 3,211,776	\$ 27,925	\$ 3,239,701

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Schedule of Activities
For the Year Ended December 31, 2018

	General Fund	GSIPDF, Inc.	Totals
Revenues, gains, and support			
Membership dues	\$ 614,975	\$	\$ 614,975
Programs and projects	212,991		212,991
Rent	26,025		26,025
Grants and contracts	270,230		270,230
Interest and dividends	14	8	22
Mineral lease royalties	50,585		50,585
Miscellaneous	115,457		115,457
	<u>1,290,277</u>	<u>8</u>	<u>1,290,285</u>
Expenses and losses:			
Supporting services			
General and administrative	633,275		633,275
Programs services			
Public policy	18,455		18,455
Membership services	400,154		400,154
Government procurement center	307,420		307,420
	<u>1,359,304</u>	<u></u>	<u>1,359,304</u>
Change in net assets from operations	(69,027)	8	(69,019)
Nonoperating activities			
Investment return, net	(42,408)		(42,408)
	<u>(42,408)</u>	<u></u>	<u>(42,408)</u>
Change in net assets	(111,435)	8	(111,427)
Net assets, beginning of year	<u>3,162,794</u>	<u>25,417</u>	<u>3,188,211</u>
Net assets, end of year	<u>\$ 3,051,359</u>	<u>\$ 25,425</u>	<u>\$ 3,076,784</u>

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, 2018

Agency Head: Timothy Magner, President

There were no payments for compensation, benefits, and other derived from public funds ended December 31, 2018.

COOK & MOREHART

Certified Public Accountants

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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, 2018, 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, 2019.

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.

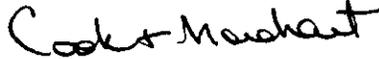
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did 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, 2019

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Summary Schedule of Audit Findings
December 31, 2018

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, 2017.

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, 2018.