



**Monroe Chamber of Commerce, Inc.**

**Financial Statements  
As of and for the Years Ended  
December 31, 2005 and 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-14-06

# Monroe Chamber of Commerce, Inc.

As of and for the Years Ended  
December 31, 2005 and 2004

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### INDEPENDENT AUDITORS' REPORT

**Board of Directors  
Monroe Chamber of Commerce, Inc.**

We have audited the accompanying statements of financial position of the **Monroe Chamber of Commerce, Inc.** (the Chamber) as of December 31, 2005 and 2004, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Chamber's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor and the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chamber as of December 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2006, on our consideration of the Chamber's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

(A Professional Accounting Corporation)

March 7, 2006

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**MONROE CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2005	2004
		Restated (Note 12)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 116,232	\$ 252,203
Receivables:		
Membership Dues	24,432	14,280
Total Resource Development Campaign	19,515	31,526
City of Monroe	-	25,000
State-Department of Labor	13,750	13,750
Federal-Technology Opportunities Program	-	11,029
Other	17,160	7,000
Total Current Assets	191,089	354,788
<b>Property and Equipment</b>		
Furniture, Fixtures and Equipment	205,552	203,432
Less: Accumulated Depreciation	(109,300)	(85,151)
Net Property and Equipment	96,252	118,281
<b>Other Assets</b>		
Investment in Milner Building, L.L.C. (Note 2)	100,000	100,000
Prepaid Expenses	1,559	8,328
Total Other Assets	101,559	108,328
<b>TOTAL ASSETS</b>	<b>\$ 388,900</b>	<b>\$ 581,397</b>

The accompanying notes are an integral part of these statements.

	December 31,	
	<u>2005</u>	<u>2004</u>
		Restated (Note 12)
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 49,429	\$ 52,939
Accrued Payables	2,456	2,773
Capital Lease Obligations (Current Portion)	-	639
Note Payable (Current Portion)	20,000	20,000
Refundable Advances (Notes 11 and 12)	45,950	54,420
Deferred Revenue:		
Membership Dues	107,015	103,747
Governmental Contracts	22,500	24,644
Total Current Liabilities	<u>247,350</u>	<u>259,162</u>
<b>Long Term Liabilities</b>		
Note Payable (Note 3)	40,000	60,000
Total Liabilities	<u>287,350</u>	<u>319,162</u>
<b>Net Assets</b>		
Unrestricted	101,550	262,235
Total Net Assets	<u>101,550</u>	<u>262,235</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 388,900</u>	<u>\$ 581,397</u>

**MONROE CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF ACTIVITIES**

	For the Years Ended	
	December 31,	
	2005	2004
<b>Changes in Unrestricted Net Assets</b>		
<b>Support</b>		
Membership Dues	\$ 287,236	\$ 299,003
Administrative Division	30,415	39,913
Communications Division	224,404	224,120
Workforce Development Division	107,523	144,032
Government Relations/Affairs Division	266,718	242,541
Governmental Contracts	50,000	205,000
Leadership Division	32,325	31,820
Annual Banquet	39,045	43,184
Investment Income	9,194	9,410
Fund Raising	94,252	98,545
Total Unrestricted Support	1,141,112	1,337,568
 Net Assets Released From Time Restrictions (Note 9)	 -	 186,378
 Total Unrestricted Support and Net Assets Released From Time Restrictions	 1,141,112	 1,523,946
 <b>Expenses</b>		
<b>Program Services:</b>		
Workforce Development Division	134,082	352,543
Government Relations/Affairs Division	320,361	326,670
Membership Services Division	314,516	315,649
Total Program Services Expenses	768,959	994,862
<b>Supporting Services:</b>		
Management and General (Note 5)	412,315	456,668
Fund Raising (Note 5)	48,395	42,928
Membership Development (Note 5)	72,128	84,041
Total Supporting Services Expenses	532,838	583,637
Total Expenses	1,301,797	1,578,499
 Decrease in Unrestricted Net Assets	 (160,685)	 (54,553)
 <b>Changes in Temporarily Restricted Net Assets</b>		
Workforce Development Division (Note 9)	-	29,794
 Net Assets Released from Time Restrictions - Workforce Development Division (Note 9)	 -	 (186,378)
 Decrease in Temporarily Restricted Net Assets	 -	 (156,584)
 Decrease in Net Assets	 (160,685)	 (211,137)
 Net Assets at Beginning of Year	 262,235	 473,372
 <b>NET ASSETS AT END OF YEAR</b>	 <b>\$ 101,550</b>	 <b>\$ 262,235</b>

The accompanying notes are an integral part of these statements.

**MONROE CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF CASH FLOWS**

	For the Years Ended	
	December 31,	
	2005	2004
		Restated (Note 12)
<b>Cash Flows from Operating Activities</b>		
Decrease in Net Assets	\$ (160,685)	\$ (211,137)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	24,149	100,662
Loss on Disposal of Capital Assets (Note 9)	-	86,815
Changes in Assets and Liabilities:		
Membership Dues Receivable	(10,152)	6,142
Other Receivables	37,880	52,968
Prepaid and Other Assets	6,769	6,040
Accounts Payable	(3,510)	(9,887)
Accrued Payables	(317)	573
Refundable Advances	(8,470)	(980)
Deferred Revenue	1,124	1,851
Total Adjustments	47,473	244,184
Net Cash Provided (Used) by Operating Activities	(113,212)	33,047
<b>Cash Flows from Financing Activities</b>		
Principal Paid on Capital Lease	(639)	(8,280)
Principal Paid on Note Payable	(20,000)	(20,000)
Net Cash Used by Financing Activities	(20,639)	(28,280)
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property and Equipment (Net)	(2,120)	(4,107)
Net Cash Used by Investing Activities	(2,120)	(4,107)
<b>Net Increase (Decrease) in Cash</b>	(135,971)	660
<b>Cash at Beginning of Year</b>	252,203	251,543
<b>Cash at End of Year</b>	\$ 116,232	\$ 252,203
<b>Supplemental Disclosures:</b>		
Cash Paid During the Year for:		
Interest	\$ 3,806	\$ 5,480
Income Taxes	\$ 2,112	\$ 1,565

The accompanying notes are an integral part of these statements.

**MONROE CHAMBER OF COMMERCE, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2005 AND 2004**

**Note 1 - Summary of Significant Accounting Policies**

***Organization***

The Monroe Chamber of Commerce, Inc. (the Chamber) was incorporated in September 1947 under the laws of the State of Louisiana. The Articles of Incorporation were restated in January 1997, and among other things, stated that the objects and purposes of the organization are for the advancement of the civic, commercial, economic, industrial and agricultural interests of the Parish of Ouachita and the surrounding trade area; the promotion of the general welfare, health and cultural well-being within that territory; and the stimulation of public sentiment toward those ends; and the sponsorship of the engagement in all lawful activities which promote the accomplishment of these purposes.

***Basis of Accounting***

The financial statements of the Chamber have been prepared on the accrual basis. The significant accounting policies followed by the Chamber are described below to enhance the usefulness of the financial statements to the reader.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Property and Equipment***

Property and equipment are recorded at cost. Expenditures that are greater than \$500 for additions, major renewals and betterments are capitalized. All other expenditures are expensed as incurred. The cost of assets retired or otherwise removed and the related accumulated depreciation are eliminated from the accounts in the year of removal, with the resulting gain or loss credited or charged to operations. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets ranging from three years for computer equipment to ten years for office furniture and equipment.

Through the Total Resource Development Campaign, the Chamber obtained the use of two vehicles. The agreements for the use of the vehicles are open-ended and provide for the Chamber to provide adequate insurance coverage and cover regular maintenance and operating costs. No value for these vehicles is included in property and equipment but the fair value of these vehicles is included in Administrative Division Support and in Management and General expense.



**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2005 AND 2004**

*Deferred Revenue and Refundable Advances*

Membership dues are billed on a monthly basis, coinciding with the month the member joined the Chamber. Membership revenue is deferred and recognized in the statement of activities on a straight-line basis over a one year period. Membership receivables are written off as uncollectible when they become 120 days past due.

Refundable advances consists of payments received during the Total Resource Development Campaign for events or programs to be carried out in the following year. These refundable advances are recognized as income in the subsequent year either on a straight line basis or as the individual events occur.

*Compensated Absences*

Employees receive one week of vacation after six months, two weeks after one year, three weeks after five years, and four weeks after ten years of service. Vacation time is forfeited unless taken by year-end. Five days of sick leave are allowed annually. Employees are not compensated for any unused leave upon termination. Accordingly, no accrual for unpaid leave time is included in the financial statements.

*Net Assets*

The unrestricted net assets represent the surplus accumulated over several years through normal operations of the Chamber. Income from restricted sources which is received during the year and for which the restrictions are satisfied within the same year, is represented in the changes in unrestricted net assets.

At December 31, 2005 there were no temporarily or permanently restricted net assets.

*Statements of Cash Flows*

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

*Functional Allocation of Expenses*

Program services expenses are those directly related to the purposes for which the Chamber exists. Supporting services expenses reflect other expenses incurred in operating the programs, fund raising and membership development. Various operating expenses not directly connected with a specific function or program service is allocated to supporting services. The direct costs of providing the various programs and other activities have been summarized in the statements of activities. Salaries and employee benefits are allocated to program and supporting services based upon management's estimate of time each employee devotes to various activities.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2005 AND 2004**

Programs services include:

Workforce Development Division – supports a combination of educational and workforce training needs throughout the region served by the Chamber. Some of the programs sponsored by the division are Accent on Excellence Breakfast, the Incumbent Worker Training program (through the Louisiana Department of Labor), the regional Career Fair .

Government Relations/Affairs Division – focuses on state, local and federal government initiatives. The Chamber maintains a full-time staff person in Baton Rouge during the Legislative Sessions as well as conducting the annual Northern Exposure advocacy trip to the State Capital. On the local front, the Chamber has an agreement with the City of Monroe, to represent the City in the areas of economic development, state and federal advocacy, and transportation and infrastructure. The Chamber also conducts two trips to Washington, D. C., to meet with House and Senate members as well as various Federal agencies to promote issues of concern for our area.

Membership Services Division – benefits members of the Chamber by providing valuable information through a weekly newsletter and a quarterly newsmagazine. The Chamber also provides literature to acquaint newcomers with Ouachita Parish which is also available on the Chamber's web site.

Supporting services include:

Management and General – includes oversight, business management, general record keeping, budgeting, financing, soliciting revenue from exchange transactions, such as government contracts and related administrative activities.

Fund Raising - includes the costs of the annual Holiday Auction held in December of each year.

Membership Development – includes soliciting for prospective members, membership dues and the Total Resource Development Campaign. In 1997 the Chamber implemented the Total Resource Development Campaign to solicit participation in and support of its various programs in fulfilling the mission of the Chamber and enhancing benefits to the membership.

***Basis of Presentation***

Contributions received by the Chamber are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. The Chamber reports 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. The Chamber did not have any temporarily or permanently restricted net assets at December 31, 2005 or 2004.

**MONROE CHAMBER OF COMMERCE, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2005 AND 2004**

***Tax Status***

The Chamber has qualified as an organization exempt from federal income taxes pursuant to Section 501(c)(6) of the Internal Revenue Code; therefore, there is no provision for income taxes in the accompanying financial statements except for tax on unrelated trade or business income related to maps and tabloids.

**Note 2 - Investment in Milner Building, LLC**

On March 20, 2002 the Chamber entered into an operating agreement with RTR of Monroe, LLC (also see Note 6) creating the Milner Building, LLC for the operation of a commercial office building in downtown Monroe. Under the agreement, RTR of Monroe, LLC has a 90% equity ownership and the Chamber a 10% equity ownership of Milner Building, LLC. The Chamber paid \$100,000 for its 10% interest. Per the operating agreement the Chamber shall be paid, as a priority distribution, \$7,000 annually from the operating cash flow, if any, after all expenses and debt service have been paid. Additionally, the Chamber will receive 10% of any remaining cash flow after payment of the priority distribution above.

**Note 3 - Note Payable**

The Chamber executed a promissory note on December 5, 2003 with an interest rate of 5.25%. It is being repaid over the next 3 years with principal payments of \$1,667 per month (\$20,000 per year) plus interest, also paid monthly.

Year	Principal	Interest	Total
2006	\$ 20,000	\$ 2,705	\$ 22,705
2007	20,000	1,641	21,641
2008	20,000	578	20,578
Total	\$ <u>60,000</u>	\$ <u>4,924</u>	\$ <u>64,924</u>

**Note 4 - Department of Labor Cooperative Endeavor Agreement**

The State of Louisiana renewed its one year \$55,000 cooperative endeavor agreement with the Chamber on April 1, 2005. The main purpose of the contract is to "provide a regional business liaison, and staff support for the Regional Business Liaison for the continued development and implementation of a marketing plan to recruit business and industry consortia to participate in programs administered by the Louisiana Department of Labor and its partners in the One-Stop System established pursuant to the Workforce Investment Act."

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2005 AND 2004**

Due to funding constraints, the State terminated this agreement on December 31, 2005.

**Note 5 - Supporting Services**

Management and General expenses consist of the following for 2005 and 2004, respectively.

	<u>2005</u>	<u>2004</u>
Salaries and Employee Benefits	\$ 163,993	\$ 171,973
Lease-Office Space (Note 6)	71,960	71,960
Service Contracts and Repairs	25,193	36,946
Telephone	24,658	29,122
Depreciation	24,149	25,527
Office Supplies	22,663	23,567
Professional Fees	12,177	21,627
Automobile Expense	17,806	18,272
Postage	12,716	11,629
Continuing Education	1,458	7,804
Insurance	7,142	7,615
Interest	4,027	5,480
Lease-Computer Equipment	5,178	5,182
Travel and Entertainment	-	2,399
Unrelated Business Income Taxes	1,425	1,950
Other	<u>17,770</u>	<u>15,615</u>
Total	<u>\$ 412,315</u>	<u>\$ 456,668</u>

Fund raising expenses consist of the following for 2005 and 2004, respectively.

	<u>2005</u>	<u>2004</u>
Salaries and Employee Benefits	\$ 6,442	\$ 6,723
Christmas Auction	<u>41,953</u>	<u>36,205</u>
Total	<u>\$ 48,395</u>	<u>\$ 42,928</u>

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2005 AND 2004**

Membership development expenses consist of the following for 2005 and 2004, respectively.

	2005	2004
Salaries and Employee Benefits	\$ 33,889	\$ 38,709
Annual Meeting and Banquet	26,606	23,260
Printing and Developing	2,948	4,146
Other	8,685	17,926
<b>Total</b>	<b>\$ 72,128</b>	<b>\$ 84,041</b>

**Note 6 - Operating Lease -Office Space**

The Chamber leases office space from RTR of Monroe, Inc., under a ten year noncancelable operating lease, from March 1, 2002 until February 28, 2012. Total rental expenses for the years ended December 31, 2005 and 2004, is \$71,960 for each year. Future minimum lease payments required under the operating lease are as follows:

	Operating Lease
2006	\$ 71,960
2007	71,960
2008	71,960
2009	71,960
2010	71,960
2011-2012	83,953
<b>Total minimum lease payments</b>	<b>\$ 443,753</b>

**Note 7 - Employee Retirement Plan**

The Chamber provides a 401 (k) retirement plan for eligible employees. To participate in the plan, employees must be at least 21 years of age and have provided one year of service. The Chamber contributes 5% of participating employees' earnings. Employees may make a pre-tax voluntary contribution of up to 100% of their compensation or the maximum amount permitted by law to the plan. The Chamber contributed \$17,755 and \$19,555 to this plan for the years ended December 31, 2005 and 2004, respectively.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2005 AND 2004**

**Note 8 - Concentration of Credit Risk**

All of the membership dues receivable represents amounts due from businesses located within Ouachita Parish and mostly within the City of Monroe. Approximately five percent of other receivables represent amounts due from the membership for participation in other programs such as leadership, government relations and similar programs. The Chamber does not require any security or collateral from its membership to secure these amounts. Failure of the membership to perform as promised could impact the Chamber's ability to collect \$43,947.

During 2004, the Chamber received \$235,000 (18% of total support) from a local government. In 2005, the Chamber received \$140,000 (12% of total support) from this same local government. For 2006, the Chamber has budgeted \$90,000 from this local government.

The Chamber has various deposit accounts at one federally insured financial institution. At December 31, 2005, the bank balances in these accounts exceeded the FDIC insurance by \$54,548.

**Note 9 - Technology Opportunities Program**

In September, 2001, the Chamber was awarded a grant from the United States Department of Commerce to promote the use and availability of advanced telecommunications technologies in the region. This program was carried out at various educational sites in Northeast Louisiana. For the year ended December 31, 2004, the Chamber recognized \$29,794 in revenues under the program.

This grant ended on schedule on September 30, 2004. At that time, ownership of the equipment located at each of the sites vested with each of the individual sites. Of the \$296,435 (less accumulated depreciation of \$204,447) in equipment purchased by the grant, \$284,122 (less accumulated depreciation of \$197,307) was transferred to these other sites. This transfer of equipment generated an \$86,815 loss on disposal of capital assets.

The remaining \$12,313 (less accumulated depreciation of \$7,140) in equipment remains in the Chamber's Property and Equipment.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2005 AND 2004**

**Note 10 - Related Party Transactions**

Members of the Chamber's Board of Directors (Executive Committee) are also members of the Monroe Chamber Foundation's Board of Directors.

A member of the 2004 Board of Directors is also a part owner of RTR of Monroe, LLC (See Note 2).

**Note 11 – Commitments and Contingencies**

During the latter half of 2005, the Chamber secured funding through the 2006 Total Resource Development Campaign. At December 31, 2005, the Chamber had commitments of \$352,043, split between \$132,635 in cash commitments (\$45,950 received before December 31, 2005 and is included in refundable advances) and \$219,408 in noncash commitments.

**Note 12 – Restatement of Prior Year Financial Statements**

During the latter half of each calendar year, the Chamber elicits support for the following calendar year through the Total Resource Development Campaign. In prior years, including 2004, these commitments had been recorded as a receivable and as a deferred revenue at the time of signing. However, these commitments are a conditional promise to give since the outside entity expects a specified action by the Chamber.

Therefore, the 2004 financial statements have been restated by reducing Receivables-Total Resource Development Campaign by \$143,850 (from \$175,376 to \$31,526) and by reducing Deferred Revenues- Total Resource Development Campaign by \$143,850 (from \$222,914 to \$79,064). The net effect on net assets is \$0. However, it should be noted that payments received before the end of the year (\$54,420) are recorded as refundable advances.



Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

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

**Board of Directors  
Monroe Chamber of Commerce, Inc.**

We have audited the financial statements of the **Monroe Chamber of Commerce, Inc.** (the Chamber) as of and for the year ended December 31, 2005, and have issued our report thereon dated March 7, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Compliance**

As part of obtaining reasonable assurance about whether the Chamber's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that is required to be reported under *Government Auditing*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Chamber's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.



**Board of Directors  
Monroe Chamber of Commerce**

This report is intended for the information of management of the Chamber, entities granting funds to the Chamber and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Ruffey Haffner & Assoc".

(A Professional Accounting Corporation)

**March 7, 2006**

**MONROE CHAMBER OF COMMERCE, INC.**  
**Monroe, Louisiana**

**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**04-01 DEFERRED REVENUES**

**Finding:**

The Chamber did not record some of its financial activities during 2004. These transactions were the 2005 Total Resource Development Campaign totaling \$143,850, and the 2004/2005 tradeouts for membership dues in exchange for Christmas auction items or other services provided by members.

**Status:**

The Chamber now correctly reports tradeouts for membership dues in exchange for Christmas auction items or other services provided by members. Upon further review, the Chamber determined that the Total Resource Development Campaign commitments are a "conditional" promise to give, and therefore should not be recorded as a receivable or as a deferred revenue.

**Management Letter**

**Federal and State Reporting:**

The Chamber did not correctly report FICA and Medicare wages on IRS Forms W-2 and W-3 and the 4<sup>th</sup> quarter's Form 941 as a result of not deducting sheltered deductions from gross wages on these forms. State wages were also incorrectly stated as a result of not deducting employee 401 (k) withholdings.

**Status:**

The Chamber issued corrected W-2's and W-3's, as well as a corrected 4<sup>th</sup> quarter Form 941 for 2004. The Chamber correctly calculated and submitted wages to the appropriate government agencies for 2005.