

**Monroe Chamber of Commerce, Inc.**

**Financial Statements  
As of and for the Years Ended  
December 31, 2011 and 2010**

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 APR 25 2012

# Monroe Chamber of Commerce, Inc.

## Financial Statements As of and for the Years Ended December 31, 2011 and 2010

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# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2011 and 2010, 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. 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, 2011 and 2010, 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 15, 2012, on our consideration of the Chamber's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 15, 2012

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

	December 31,	
	2011	2010
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 55,364	\$ 64,129
Receivables		
Membership Dues	8,575	6,880
Total Resource Development Campaign	17,212	700
Governmental Contract	35,000	-
Other	5,405	8,980
Total Current Assets	121,556	80,689
<b>Property and Equipment</b>		
Furniture, Fixtures and Equipment	193,842	195,764
Less: Accumulated Depreciation	(182,557)	(175,503)
Net Property and Equipment	11,285	20,261
<b>Other Assets</b>		
Investment in Milner Building, L.L.C. (Note 2)	60,000	60,000
Prepaid Expenses	6,138	9,477
Total Other Assets	66,138	69,477
<b>TOTAL ASSETS</b>	<b>\$ 198,979</b>	<b>\$ 170,427</b>

The accompanying notes are an integral part of these statements.

	December 31,	
	2011	2010
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 1,838	\$ 8,603
Accrued Payables	3,075	4,275
Capital Lease Obligations - Current Portion (Note 3)	3,444	1,343
Refundable Advances	12,100	6,550
Deferred Revenue:		
Membership Dues	92,589	84,698
Governmental Contracts	14,167	14,167
Total Current Liabilities	<u>127,213</u>	<u>119,636</u>
<b>Long-Term Liabilities</b>		
Capital Lease Obligations (Note 3)	4,617	-
Total Long-Term Liabilities	<u>4,617</u>	<u>-</u>
Total Liabilities	131,830	119,636
<b>Net Assets</b>		
Unrestricted	67,149	50,791
Total Net Assets	<u>67,149</u>	<u>50,791</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 198,979</u>	<u>\$ 170,427</u>

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

	For the Years Ended	
	December 31,	
	2011	2010
<b>Changes in Unrestricted Net Assets</b>		
<b>Support</b>		
Membership Dues	\$ 218,616	\$ 253,671
Administrative	6,213	5,680
Communications	50,578	41,850
Workforce Development	149,694	104,899
Government Relations/Affairs	298,316	307,547
Leadership	32,045	31,165
Annual Banquet	54,493	53,520
Investment Income	-	7,000
Fund Raising	99,722	105,280
Special Item (Note 10)	-	20,000
<b>Total Unrestricted Support</b>	<b>909,677</b>	<b>930,612</b>
 <b>Expenses</b>		
<b>Program Services</b>		
Workforce Development Division	118,528	74,766
Government Relations/Affairs Division	295,125	295,830
Membership Services Division	87,573	94,821
<b>Total Program Services Expenses</b>	<b>501,226</b>	<b>465,417</b>
<b>Supporting Services</b>		
Management and General (Note 5)	255,251	302,687
Fund Raising (Note 5)	76,287	80,957
Membership Development (Note 5)	60,555	57,508
<b>Total Supporting Services Expenses</b>	<b>392,093</b>	<b>441,152</b>
<b>Total Expenses</b>	<b>893,319</b>	<b>906,569</b>
 <b>Increase (Decrease) in Net Assets</b>	 <b>16,358</b>	 <b>24,043</b>
 <b>Net Assets at Beginning of Year</b>	 <b>50,791</b>	 <b>26,748</b>
 <b>NET ASSETS AT END OF YEAR</b>	 <b>\$ 67,149</b>	 <b>\$ 50,791</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,	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Increase (Decrease) in Net Assets	\$ 16,358	\$ 24,043
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	19,589	18,993
Impairment of an Asset	-	40,000
Changes in Assets and Liabilities:		
Membership Dues Receivable	(1,695)	8,110
Total Resource Development Campaign	(16,512)	6,200
Governmental Contract	(35,000)	31,500
Other Receivables	3,575	1,570
Prepaid and Other Assets	3,339	(3,473)
Accounts Payable	(6,765)	(41,825)
Accrued Payables	(1,200)	1,902
Refundable Advances	5,550	(1,967)
Deferred Revenue - Membership Dues	7,891	(26,416)
Total Adjustments	(21,228)	34,594
Net Cash Provided (Used) by Operating Activities	(4,870)	58,637
<b>Cash Flows from Financing Activities</b>		
Principal Paid on Capital Lease	(3,895)	(3,896)
Principal Received (Paid) on Line of Credit	-	(25,029)
Principal Paid on Note Payable	-	(3,175)
Net Cash Used by Financing Activities	(3,895)	(32,100)
<b>Net Increase (Decrease) in Cash</b>	(8,765)	26,537
<b>Cash at Beginning of Year</b>	64,129	37,592
<b>Cash at End of Year</b>	\$ 55,364	\$ 64,129
<b>Supplemental Disclosures:</b>		
Cash Paid During the Year for:		
Interest	\$ 1,036	\$ 4,817
Income Taxes	\$ 1,014	\$ 2,760
<b>Non-Cash Operating Activities</b>		
In-Kind Contributions	\$ 142,660	\$ 151,717
Materials, Services and Supplies	\$ (143,010)	\$ (143,700)
<b>Non-Cash Financing Activities</b>		
Proceeds of Capital Lease of Property and Equipment	\$ 10,613	\$ -
<b>Non-Cash Investing Activities</b>		
Acquisition of Property and Equipment	\$ (10,613)	\$ -
Impairment of an Asset	\$ -	\$ 40,000

The accompanying notes are an integral part of these statements.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

***Organization***

The Monroe Chamber of Commerce, Inc. (the Chamber) was incorporated September 1947 under the laws of the State of Louisiana. The Articles of Incorporation were restated in December 2010, and among other things, stated that the objectives and purposes of the organization are "to advance and protect the general welfare and prosperity of Ouachita Parish and the surrounding area so that the business community and its citizens shall prosper. All appropriate and necessary means of promotion shall be provided and particular attention shall be given to the economic, financial, commercial, agricultural, industrial, governmental, educational, and civic activities of the region. The Chamber shall observe all laws applicable to a nonprofit organization as defined in Section 501(c)(6) of the Internal Revenue Code or the corresponding provision of any such future law."

***Basis of Presentation***

The Chamber has adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605-25, "Not For Profit Entities-Revenue Recognition", and FASB ASC 958-205, "Not For Profit Entities-Presentation of Financial Statements".

FASB ASC 958-205 establishes standards for financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. FASB ASC 958-605-25 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows:

*Unrestricted Net Assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed stipulations that may or will be met by either actions of the Chamber and/or the passage of time. As of December 31, 2011 and 2010, the Chamber has no temporarily restricted assets.

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Chamber. Generally, the donors of these assets permit the Chamber to use all or part of the income earned on related investments for general or specific purposes. As of December 31, 2011 and 2010, the Chamber has no permanently restricted net assets.



**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

***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.

***Cash and Cash Equivalents***

The Chamber considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

***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.

***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 uncollectable when they become 120 days past due.

Refundable advances consist 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 event occurs.

***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.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

***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.

**Program 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 and the regional Career Fair.

**Government Relations/Affairs Division** – focuses on state, local, and federal government initiatives. The Chamber has two registered state lobbyist on staff. These individuals are in Baton Rouge during Legislative Sessions as needed. They also conduct an 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 semi-annual news magazine. 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. The Chamber also hosts a golf tournament for members to raise funds.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

***Donated Materials and Services***

Capital items are recorded at their fair market value on the date of donation. The value of contributed services and miscellaneous materials meeting the requirements for recognition in the financial statements are recognized as revenues and related expenses for gifts-in-kind.

***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.

***Impairment of Long-Lived Assets***

The Chamber assesses whether there has been impairment in the value of its long-lived assets whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future net cash flows, undiscounted and without interest, expected to be generated by the assets. If such assets are considered to be impaired, the amount of impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

***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.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**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.

During 2010, the Chamber recognized its \$8,919 share of the negative operating cash flow obligation from the Milner Building, LLC by decreasing the carrying value for the investment. In management's assessment of the carrying value of Milner Building, LLC, it determined that an impairment of \$31,081 existed and decreased the carrying value. The cumulative \$40,000 decrease is reflected in Management and General Expense.

**Note 3 - Capital Lease Obligation-Computer Equipment**

During 2008, the Chamber entered into a capital lease, acquiring \$10,908 of computer equipment at an interest rate of 6.58%. The final payment for this lease was made in April of 2011. In March, 2011, the Chamber entered into another capital lease, acquiring \$10,613 of computer equipment at an interest rate of 12.87%. Capital leases give rise to both property rights and long-term lease obligations and are reflected on the Chamber's Statements of Financial Position.

Total lease payments for the years ended December 31, 2011 and 2010 were \$4,931 and \$4,125, respectively. As of December 31, 2011, future minimum lease payments under the capital lease obligation are as follows:

Year	Amount
2012	\$ 4,283
2013	4,283
2014	714
Total Minimum Lease Payments	9,280
Less: Amounts Representing Interest	(1,219)
Net Present Value of Future Minimum Lease Payments	\$ 8,061

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Note 4 - Line of Credit**

The Chamber obtained a \$75,000 line of credit on June 15, 2010. No funds were drawn against the line of credit during the remainder of 2010. The line of credit has a variable interest rate based on changes in an independent index-Low Prime Rate-and it expires June 16, 2012.

**Note 5 - Supporting Services**

Management and General Expenses consist of the following for 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Automobile Expense	\$ 1,777	\$ 1,820
Continuing Education	-	285
Depreciation	19,589	18,993
Insurance	7,072	7,441
Interest	2,289	1,197
Lease-Copier Equipment	5,822	5,695
Lease-Office Space	72,473	71,960
Loss on Impairment of an Asset (Note 2)	-	40,000
Office Supplies	12,521	7,028
Postage	3,652	6,864
Professional Fees	28,604	25,459
Salaries and Employee Benefits	75,180	81,164
Service Contracts and Repairs	3,270	5,527
Telephone	10,906	11,314
Unrelated Business Income Taxes	1,547	2,024
Other	<u>10,549</u>	<u>15,916</u>
Total	<u>\$ 255,251</u>	<u>\$ 302,687</u>

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Fund Raising expenses consist of the following for 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Salaries and Employee Benefits	\$ 20,130	\$ 28,198
Christmas Auction	50,207	46,546
Golf Tournament	5,105	5,700
Congressional Matters	<u>845</u>	<u>513</u>
 Total	 <u>\$ 76,287</u>	 <u>\$ 80,957</u>

Membership Development expenses consist of the following for 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Salaries and Employee Benefits	\$ 40,965	\$ 41,843
Annual Meeting and Banquet	12,948	12,926
Printing and Developing	1,854	-
Other	<u>4,788</u>	<u>2,739</u>
 Total	 <u>\$ 60,555</u>	 <u>\$ 57,508</u>

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

The Chamber leases office space from Milner Building, LLC, under a ten year noncancelable operating lease, from March 1, 2002 until February 28, 2012. Total rental expenses for the years ended December 31, 2011 and 2010, is \$71,960 for each year. Future minimum lease payments required under the operating lease are for two monthly lease payments in January and February of 2012 totaling \$11,993.

**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 \$12,135 and \$10,609 to this plan for the years ended December 31, 2011 and 2010, respectively.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Note 8 - Noncash Activities**

For 2011 and 2010, the Chamber received noncash revenues in the form of membership dues and total resource development campaign contributions of \$142,660 and \$151,717 in exchange for contributed services of \$143,010 and \$143,700.

**Note 9 - Disclosures about Concentrations**

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 to secure these amounts.

During 2011 and 2010, the Chamber received \$155,000 in each year (17% of total support in each of these years) from the City of Monroe, the University of Louisiana-Monroe, and the Ouachita Terminals. A portion of these funds (\$120,000 for 2011 and 2010) received from these local entities is used to support the costs of the Chamber's consulting lobbying firm. For 2012, the Chamber has budgeted revenues of \$135,000 from these local entities and expenses of \$100,000 for the lobbying firm costs. The lobbying firm contract is cancelable with 30 days notice.

The Chamber has various deposit accounts at two federally insured financial institutions. As of December 31, 2011, the bank balances in these accounts did not exceed the FDIC coverage. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions.

**Note 10 - Special Item**

During recent years, the Chamber carried an additional \$20,000 in payables for an amount that was believed to be owed to one of its primary ongoing vendors. This vendor did not reflect this amount in its records but was typically slow in its billings and the Chamber believed this amount would be payable at a latter date. However, during 2010, the Chamber paid the balance owed to this vendor through December 31, 2010 and cleared the remaining \$20,000 that had been in payables. The vendor agreed that the payment in December paid the account in full through December 31, 2010.

**MONROE CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Note 11 - 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.

**Note 12 - Subsequent Events**

Subsequent events have been evaluated through the date the financial statements were available to be issued, March 12, 2012, and no significant events occurred for disclosure except for:

The selling of the Chamber's interest in the Milner Building on January 30, 2012 for \$60,000 to The Milner Building, LLC; and

The signing of a lease of the Chamber's current office space for 48 months commencing on March 1, 2012 and ending on February 28, 2016 from The Milner Building, LLC for \$3,574 per month. The new monthly lease amount is a reduction of approximately \$2,500 a month from the prior lease agreement and is a result of the depressed local real estate market and an agreement to reduce the square footage being leased, but not needed. Further, the Milner Building, LLC agreed to repay the Chamber its \$60,000 previous investment in Milner Building, LLC by allowing the Chamber to reduce its monthly rental payment amount to \$2,324, a reduction of \$1,250 per month or \$60,000 for the 48 month period.



# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

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Lori Woodard, MBA, CPA

## 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*

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

We have audited the financial statements of the **Monroe Chamber of Commerce, Inc.** (the Chamber) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated March 15, 2012. 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.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Chamber's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Chamber's internal control over financial reporting.

*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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

**Compliance and Other Matters**

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 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*.

This report is intended solely for the information of management, the Chamber's Board of Directors, 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.

*Huffey, Huffman, Royde, & Squires*

(A Professional Accounting Corporation)

**March 15, 2012**