

Outside Agency Funding: 2019

April 25, 2019 at 9:39 am

Section 1: Applicant Information

Legal Name of Agency

Lawrence Chamber of Commerce

Name of Program for Which Funding is being Requested

Economic Development Program

Primary Contact (must be available by phone on May 21, 2019 from 8:30 to 12:30)

Bonnie Lowe

Title

President & CEO

Address

718 New Hampshire
Lawrence, Kansas 66044
United States

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Email

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Section 2: Request Information

Amount of funds requested for calendar year 2020

\$220,000.00

Will these funds be used for capital outlay (equipment or facilities)?

No

Will these funds be used to leverage other funds?

Yes

Please describe how these funds be used to leverage other funds

In 2016, the Chamber worked closely with the City, County and other community stakeholders to develop a five-year, strategic plan for its economic development program. The key objectives and strategies of this plan fell into five categories: Business Retention & Expansion; Workforce Development; Business Recruitment & Marketing; Entrepreneurship & Start-Up Support; and Site & Infrastructure Capacity.

The requested City funding will be used in concert with matching funds from Douglas County and substantial investment from the private sector in all efforts to implement this plan and further its stated objectives.

Did you receive City funding, including funds from any component unit of the City, for this program in 2019?

Yes

What was the amount of the funding?

\$220,000.00

What was the source of the funding (i.e. General Fund, Alcohol Fund)?

General Fund

How would any reduction in City funding in 2020 impact your program?

A reduction in City funding would reduce the efficacy of the Chamber's economic development program and erode the strength of the long-standing City, County and Chamber partnership.

The five strategic priorities of the Chamber's economic development program were determined in conjunction with City, County, and other community leaders to reflect the needs of the broader community and were designed to be implemented over a five-year period, from 2017 to 2021. A reduction of funding in the middle of this timeline would force reevaluation, redirection, or possible elimination of current initiatives, such as business recruitment, site and infrastructure development, or entrepreneurial support efforts.

If you are requesting an increase in funding over 2019, please explain why and exactly how the additional funds will be used:

The Chamber understands the difficult budgetary constraints facing the City. No additional funding is requested for 2020.

Does your agency receive City support outside of this application request process (i.e. CDGB Funds, facility support, Transient Guest Tax (TGT) Funds, Affordable Housing Funds, etc.)

No

Section 3: Special Alcohol Fund Information

Is your agency requesting special alcohol funds? To determine eligibility please review City Charter Ordinance 33.

No

Section 4: Statement of Problem/Need to be Addressed by Program

Provide a brief statement of the problem or need your agency proposes to address with the requested funding and/or the impact of not funding this program. The statement should include characteristics of the client population that will be served by this program. If possible, include statistical data to document this need.

Community vibrancy, quality of life, prosperity and sustainability are referenced throughout the City's mission and vision statements and strategic planning documents. Thus, the importance the City of Lawrence places on economic development is clear, as it is through concerted, long-term economic development initiatives that such goals are realized. This is true of all communities.

The Chamber's economic development program is intentionally multi-faceted. It is designed to serve a variety of community constituents and to impact economic growth on a number of fronts. The following are the Chamber's five strategic priorities:
- Business Retention & Expansion: research indicates that as much as 80 percent of a community's job growth stems from existing business.

- Workforce Development: a talented and available labor pool is increasingly becoming the driving factor in business relocation decisions.
- Business Recruitment & Marketing: this is an essential, traditional initiative for ED that has great potential to expand the tax base and create jobs.
- Entrepreneurial & Start-Up Support: entrepreneurship and innovation are catalysts for job growth and becoming a greater focus for many EDOs.
- Site & Infrastructure Capacity: available sites and buildings, ease of transport, water, sewer, electric and broadband infrastructure are key factors in site selection.

How was the need for this program determined?

Any given community's long-term viability rests on its ability to provide stable employment and income opportunities for its citizens. This ensures the ability to provide for one's basic needs, to purchase homes, cars, childcare services, etc. Such purchases, in turn, generate taxes that are then reinvested back into the community, allowing for the provision of crucial services, infrastructure maintenance and sustaining of a certain quality of life.

As it is through business growth, attraction and creation that employment opportunities are created and retained, it is determined that a measured and consistent approach to economic development is critical to sustaining a vibrant community.

Based on agency history, management structure, and staffing pattern, does the organization have the capacity to implement the proposed program and achieve the desired outcomes?

Throughout its 140+ year history, the Chamber has worked on a great many economic development initiatives. From industrial park developments and business attraction efforts, to school bond issues and community work programs, the Chamber has helped shape the Lawrence community we know today. However, few, if any, of these efforts were accomplished in a vacuum.

While the Chamber has the institutional capacity to impact meaningful community change on its own, it would be severely challenged to realize the full potential of its current plan without the leadership and financial support of its strategic partners (City, County, EDC, BTBC, KU, Peaslee, etc.), as it was in conjunction with these that the plan was developed, e.g. the Chamber may help identify the next parcel of land for industrial park development, but does not have the power to annex it; the Chamber may facilitate a business expansion project, but cannot provide the financial incentives to support it, etc.

Why should this problem/need be addressed by the City?

As stated above, community vibrancy and sustainability are reflections of successful economic development planning and strategic initiatives. Thus, such activities must be considered core objectives of any community seeking to obtain them. This is evidenced by the "critical success factors" enumerated in the City's own strategic plan (discussed in following section).

The City is much more than a financial partner in addressing this need. The City of Lawrence provides critical leadership in planning and zoning of developments, tax policy decisions, business recruitment incentive packages and more. Meaningful economic growth cannot happen with the support of the City and, in turn, the City cannot thrive without a strategic focus on economic development.

How does the proposed program align with the City Commission Strategic Plan? Please cite specific Critical Success Factor(s) and explain how it aligns with your program.

The Chamber's economic development program and its core strategies align closely with the critical success factors laid out in the City's strategic plan. Specifically, the two plans converge most directly upon the factors: Innovative Infrastructure and Asset Management; Collaborative Solutions; and Economic Growth and Security.

Innovative Infrastructure and Asset Management:

Since its inception in 1878, the Chamber has played a role in Lawrence's industrial development - from the formation of the Santa Fe Industrial Park in '50's and the collaborative structure and creation of East Hills in the '80's, to the marketing of VenturePark since its completion in 2014 and the evaluation of broadband infrastructure in 2018. Its original mission statement proclaimed the creation of the organization for "...the purpose of fostering, promoting and improving the trade,

commerce, manufacturing, industrial, railroad and general interests of the City and County." While the language has changed slightly, the essence of the mission remains the same today - job and wealth creation for the community.

Most recently, in addition to ongoing marketing efforts for Venture, the Chamber has worked with City and County officials to identify the next industrial park location. While land is still available in Venture, it is not large enough to support many of the industrial project proposals the Chamber fields each year.

Economic Growth & Security:

The bulk of the Chamber's ED activities are directed toward this success factor. As stated previously, the Chamber's five strategic ED priorities are designed to impact the community in a number of ways, but all with the eventual intent of job growth and wealth creation, as it is through this effort that the City will realize its goal of "...individual prosperity and a vibrant, sustainable economy.

Collaborative Solutions:

As the above two success factors illustrate, economic development is a core function of the City of Lawrence. The Chamber, through its economic development program, serves as the "collaborative solution" for the City, allowing it to leverage the synergies of the organization to impact growth in a more "fiscally sound and responsible manner." The Chamber, in turn, is reliant on the City's leadership and financial support to achieve its strategic initiatives. This is the definition of "collaboration."

Section 5: Description of Program Services

Provide a brief description of the service you will provide and explain how it will respond to the need you identified in Section 4. The description should describe as specifically as possible the interaction that will take place between the provider and the user of the services.

As stated above, the Chamber will work to impact community vibrancy, quality of life, prosperity, and sustainability through the following economic development initiatives:

Business Retention & Expansion:

Chamber staff will maintain a consistent presence with existing businesses, identifying and quantifying resource needs, barriers to growth and opportunities for expansion. The Chamber will leverage local, state, and regional partnerships to further these efforts when necessary.

Workforce Development:

Recruitment of skilled labor is one of the key challenges that employers across all sectors face today. To ensure local employers have a pipeline to talent and to enable our community to better compete in business recruitment opportunities, the Chamber will work as liaison between private business and various educational entities on programming and skill needs. The Chamber will maintain a seat on the Peaslee Tech board of directors as well as with the Local Workforce II Investment Board and deepen existing relationships with the various career services departments at KU.

Business Recruitment & Marketing:

The Chamber works closely with a number of local, regional and state partners to market the community for outside investment. It maintains memberships with several economic development organizations, advertises in national trade and industry magazines, and attends out-of-market networking opportunities to ensure Lawrence's visibility with key business relocation decision makers.

Entrepreneurial & Start-Up Support:

The Chamber leverages partnerships with existing, entrepreneurship-focused organizations, such as the KU Small Business Development Center, the Bioscience & Technology Business Center, and the University of Kansas, to actively support small business and start-up growth in the community. In addition, the Chamber also administers the NetWork KS Metropolitan E-Community loan program and maintains an ex-officio position with the Douglas County E-Community (both programs designed to provide gap funding throughout the city and county, respectively).

Site & Infrastructure Capacity:

While the addition of VenturePark and, more recently, the construction of the new Van Trust building has been helpful, Lawrence is still challenged with limited land and building availability and, as a result, is often eliminated from larger-scale recruitment projects. As such, the Chamber has worked with City and County leadership over the last few years to identify the next industrial site for development. As of the writing of this application, one site has been selected from a field of ten and efforts are underway to secure the site.

How many clients will be served?

120,000

What other agencies in the community are providing similar types of services? What efforts have you made to avoid duplication or coordinate services with those agencies?

Economic development is a broad term and several local organizations work within the community to impact different aspects of it. As a small staff with aggressive economic development goals, it is critical that the Chamber leverage partnerships with such organizations to identify synergies and avoid unnecessary duplication of effort. This is achieved through various meetings, sub-groups, and reciprocal board of directors engagements. Notably, the Chamber works closely with the following strategic partners: The City of Lawrence, Douglas County, Peaslee Tech, Bioscience & Technology Business Center, eXplore Lawrence, and the University of Kansas.

Fees & Services

Requested Amount

\$220,000.00

Cash Match

\$250,000.00

Subtotal

\$470,000.00

Explanation

Please see detailed budget submitted with this application.

Grand Total

Total Requested

\$220,000.00

Total Applicant Contribution

\$250,000.00

Total In-Kind

\$0.00

Total Cash Match

\$250,000.00

Grand Total

\$470,000.00

Program Revenue

City of Lawrence

\$220,000.00

Douglas County

\$195,000.00

Donations (Individual/Corporate)

\$250,000.00

Charges for Service

\$15,000.00

Total Revenue

\$680,000.00

What percent of 2020 program costs are being requested from the City?

32.7

Section 7: Program Objectives

Objective One

Lawrence Metropolitan E-Community:

The Metropolitan Entrepreneurship Community Program is a “gap-funding” loan program, administered by the Chamber, on behalf of NetWork Kansas, a state-wide entrepreneurial support organization. The program is designed to spur growth in underserved areas or to assist underserved members of the community. The program first came to the Chamber in October of 2015 and has since made six, small business loans, totaling in excess of \$200,000. These projects, spanning medical services, food production, agriculture and retail, in turn, leveraged an additional \$2.1 million in private capital.

To date, the Lawrence program has been limited in funding to \$100,000 per year. For the 2019-2020 fiscal year (NetWork KS), beginning July 1, this limitation will be eliminated, enabling Metro to support more business creation and growth projects annually. Goals are difficult to set for this program, as it is based on need, but given that we maxed out our allocation within five months in 2018, we are confident that there is sufficient demand to facilitate at least \$150,000 in lending for 2019-2020. Loans are limited to a maximum of \$45,000/project, with an average loan of \$30-40,000. Thus, we hope to complete an additional four to five projects in the next fiscal year.

Objective Two

Connecting University Career Resources, Students & Local Industry:

The availability of, and accessibility to, a skilled labor force has become the driving factor in a community's ability to actualize business growth and to compete in business recruitment projects. This is true in all communities across the United States. As a college community, Lawrence is fortunate to have several magnets for talent, supporting a range of disciplines, in KU, Peaslee and Haskell.

In an effort to explore ways in which the community can better leverage these talent pipelines, Chamber staff initiated discussions with various KU career services departments (KU Career Services, School of Business, School of Engineering, KU Alumni) in late-2017. Discussions continued throughout 2018 and resulted in two immediate initiatives: each career services department received a complimentary Chamber membership, allowing them to communicate jobs, internships and networking opportunities directly to Chamber members; and an inaugural local business/KU student mixer, “Lawrence Career & Networking Night,” which showcased the breadth of local industry and career opportunities to KU students.

In addition to the above efforts, the Chamber had also created a pilot, “job-shadowing” program with KU's Honor Program, designed to place honor students with local industries of interest. Through our efforts with the career services departments, we learned of other such programs are currently working on ways to integrate this new program into existing offerings. Another upshot of these efforts is the inter-departmental communication that is now taking place between the career placement services. This planning effort is on-going as of the writing of this application, but at minimum we have plans for jointly held events in Fall 2019 and Spring 2020.

Objective Three

Serve as Liaison Between Government, Business & Education:

This is a core objective of our overall Business Retention & Expansion efforts. Each year, the Chamber coordinates 10 - 12 on-site, local business facility tours. Participants in these tours represent the City of Lawrence, Douglas County, KS Dept. of Commerce, Peaslee Tech, BTBC, Chamber, EDC, and KU. The intent of these tours is to develop a knowledge of the existing businesses of the community, to develop relationships, and, most importantly, to create the opportunity for open dialog regarding challenges and opportunities facing the host business. These tours have directly impacted internship offerings, workforce programming, university capstone projects, and facility expansions.

In addition to the facility tours, a similar effort is held quarterly to tour various departments and facilities on KU's campus. The intent is essentially the same - to familiarize our community stakeholders with the various capabilities and private industry services available via the University.

Both efforts will continue in 2020.

Section 8: Supplemental Information

File

- [Chamber-EDC-Form-990.pdf](#)
- [Chamber-EDC-2020-Budget.xlsx](#)
- [2017-Lawrence-Chamber-Audit.pdf](#)

What is the total number of volunteers (estimate if necessary)?

200

What are your agency's total liabilities?

\$102,474.00

What are your agency's total assets?

\$444,750.00

What are your agency's total assets?

\$342,276.00

What are your agency's permanently restricted net assets?

\$0.00

What is your agency's land, building, or equipment fund?

\$52,363.00

What are your agency's total expenses?

\$1,447,972.00

Return of Organization Exempt From Income Tax

2017

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Header section A-M containing organization details: Chamber of Commerce of Lawrence Kansas, 2017, ending 20, Employer ID 48-0305580, Gross receipts \$1,338,191.

Part I Summary table with columns for Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances. Includes rows for mission statement, membership counts, revenue (Total: 1,338,191), and expenses (Total: 1,447,972).

Part II Signature Block: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here: Michele Hammann, Signature of officer, Michele Hammann, Board Chair, Type or print name and title.

Paid Preparer Use Only: Print/Type preparer's name Scott W Holloman, Preparer's signature, Date 09-27-2018, Check self-employed, PTIN P00068717, Firm's name Scott W Holloman CPA LLC, Firm's EIN, Firm's address 2820 SW Mission Woods Dr Ste 300 Topeka KS 66614, Phone no. 785-228-1985.

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [] No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:
To promote and foster business, commerce, and industry to the benefit of the City of Lawrence, KS and Douglas County, Kansas.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 928,319 including grants of \$ _____) (Revenue \$ _____)
Promote and maintain the economic viability of Lawrence, Kansas and Douglas County, Kansas.

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses **▶ 928,319**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		X
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	X	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question number, question text, and Yes/No response boxes. Includes sections for Form 1096, Form W-2G, Form W-3, Form 8886-T, Form 8282, Form 8899, Form 1098-C, Form 4947(a)(1), and Form 720.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members... 1b Enter the number of voting members... 2 Did any officer, director, trustee... 3 Did the organization delegate control... 4 Did the organization make any significant changes... 5 Did the organization become aware... 6 Did the organization have members... 7a Did the organization have members... 7b Are any governance decisions... 8 Did the organization contemporaneously document... 8a The governing body? 8b Each committee with authority... 9 Is there any officer, director, trustee...

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters... 10b If "Yes," did the organization have written policies... 11a Has the organization provided a complete copy... 11b Describe in Schedule O the process... 12a Did the organization have a written conflict of interest policy... 12b Were officers, directors, or trustees... 12c Did the organization regularly and consistently monitor... 13 Did the organization have a written whistleblower policy... 14 Did the organization have a written document retention... 15 Did the process for determining compensation... 15a The organization's CEO, Executive Director... 15b Other officers or key employees... 16a Did the organization invest in, contribute assets to... 16b If "Yes," did the organization follow a written policy...

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records:

Bonnie Lowe (785) 865-4411, 718 New Hampshire St, Lawrence, KS 66044

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITOR

December 31, 2017

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
Lawrence, Kansas

TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors	1
Financial Statement	
Combined Statement of Financial Position	3
Combined Statement of Activities	4
Combined Statement of Cash Flows	6
Notes to the Combined Financial Statements	7
Supplemental Information	14
Combining Schedule of Financial Position	15
Combining Schedule of Activities by Department Compared to Budget	16

Scott W. Holloman, CPA, LLC

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REPORT OF INDEPENDENT AUDITOR

Finance Committee
Chamber of Commerce of Lawrence, Kansas
Lawrence, Kansas

We have audited the accompanying combined statement of financial position of the Chamber of Commerce of Lawrence, Kansas and Lawrence Foundation (nonprofit organizations) as of December 31, 2017 and the related combined statement of activities 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the designing, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the combined financial position of Chamber of Commerce of Lawrence, Kansas and Lawrence Foundation as of December 31, 2017, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Schedule of Financial Position and Combining Schedule of Activities by Department Compared to Budget are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Scott W. Holloman CPA LLC

Scott W. Holloman, CPA, LLC

August 13, 2018

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
COMBINED STATEMENT OF FINANCIAL POSITION
December 31, 2017

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents - unrestricted	\$ 330,211
Accounts receivable	52,653
Prepaid expenses	<u>9,523</u>
TOTAL CURRENT ASSETS	392,387
Property and equipment, net	52,363
TOTAL ASSETS	<u>\$ 444,750</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 13,239
Payroll liabilities	8,886
US Bank - credit card payable	3,780
Deferred revenue	67,500
Accrued compensated absences	<u>9,069</u>
TOTAL CURRENT LIABILITIES	102,474
NET ASSETS	
Unrestricted	325,609
Temporarily restricted	<u>16,667</u>
TOTAL NET ASSETS	<u>342,276</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 444,750</u>

The accompanying notes are an integral part of these financial statements

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

COMBINED STATEMENT OF ACTIVITIES

For the year ended December 31, 2017

	UNRESTRICTED NET ASSETS	TEMPORARILY RESTRICTED NET ASSETS	TOTAL
REVENUE			
Membership retention, net	\$ 399,241	\$ -	\$ 399,241
New membership and fees	56,358	-	56,358
ED funding - public	400,000	-	400,000
ED funding - private	200,000	-	200,000
EDC management contract	15,000	-	15,000
Leadership Lawrence tuition	50,805	-	50,805
LL activities and events	8,995	-	8,995
Alumni sales	1,490	-	1,490
LL sponsorship	23,785	-	23,785
Member activities and events	158,815	-	158,815
Interest income	356	-	356
Rental income	20,000	-	20,000
Other income	3,346	-	3,346
Assets released from restrictions	9,099	(9,099)	-
TOTAL REVENUES	<u>1,347,290</u>	<u>(9,099)</u>	<u>1,338,191</u>
OPERATIONAL EXPENSES			
Member activities and events	57,883	-	57,883
Member advocacy/communication	21,608	-	21,608
Economic development	211,512	-	211,512
Leadership Lawrence events	7,093	-	7,093
Postage and shipping	2,209	-	2,209
Professional development	15,011	-	15,011
Travel expenses	8,184	-	8,184
Restricted program expense	9,935	-	9,935
TOTAL OPERATIONAL EXPENSES	<u>333,435</u>	<u>-</u>	<u>333,435</u>
PERSONNEL EXPENSES			
Salaries	743,708	-	743,708
Employee benefits	110,250	-	110,250
New member commissions	510	-	510
Payroll taxes	57,909	-	57,909
TOTAL PERSONNEL EXPENSES	<u>912,377</u>	<u>-</u>	<u>912,377</u>

The accompanying notes are an integral part of these financial statements

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

COMBINED STATEMENT OF ACTIVITIES

For the year ended December 31, 2017

	UNRESTRICTED NET ASSETS	TEMPORARILY RESTRICTED NET ASSETS	TOTAL
ADMINISTRATIVE EXPENSES			
Dues and subscriptions	\$ 3,162	\$ -	\$ 3,162
Community relations	3,364	-	3,364
Advertising	5,232	-	5,232
Commercial insurance	8,879	-	8,879
Equipment lease and maintenance	6,289	-	6,289
Office expense	34,195	-	34,195
Professional fees	24,367	-	24,367
Rent and building maintenance	72,920	-	72,920
Retreat expense	412	-	412
Technology maintenance	17,439	-	17,439
Telephone	12,107	-	12,107
Utilities	13,902	-	13,902
TOTAL ADMINISTRATIVE EXPENSES	<u>202,268</u>	<u>-</u>	<u>202,268</u>
Total expenses	<u>1,448,080</u>	<u>-</u>	<u>1,448,080</u>
OTHER EXPENSES			
Depreciation	8,991	-	8,991
TOTAL OTHER EXPENSES	<u>8,991</u>	<u>-</u>	<u>8,991</u>
CHANGE IN NET ASSETS	(109,781)	(9,099)	(118,880)
NET ASSETS BEGINNING OF YEAR	<u>435,390</u>	<u>25,766</u>	<u>461,156</u>
NET ASSETS END OF YEAR	<u>\$ 325,609</u>	<u>\$ 16,667</u>	<u>\$ 342,276</u>

The accompanying notes are an integral part of these financial statements

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

COMBINED STATEMENT OF CASH FLOWS

For the year ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets		\$ (118,880)
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation		8,991
(Increase) decrease in operating assets		
Accounts receivable		14,913
Prepaid expenses		(3,512)
Employee advances		400
Increase (decrease) in operating liabilities		
Accounts payable		(36,379)
Accrued liabilities		(355)
Deferred revenue		67,500
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>(67,322)</u>
BEGINNING CASH AND CASH EQUIVALENTS		<u>397,533</u>
	ENDING CASH AND CASH EQUIVALENTS	<u>\$ 330,211</u>
Cash and cash equivalents - unrestricted		\$ 330,211
Cash and cash equivalents - restricted		<u>-</u>
	ENDING CASH AND CASH EQUIVALENTS	<u>\$ 330,211</u>

The accompanying notes are an integral part of these financial statements

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended December 31, 2017

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the Chamber's accounting policies consistently applied in the preparation of the accompanying combined financial statements follows:

1. Principles of Combination

The accompanying combined financial statements include the accounts of the Chamber of Commerce of Lawrence, Kansas and Lawrence Foundation for the year ended December 31, 2017 here in referred to as the Chamber of Commerce. The Foundation had no activity.

2. Nature of Activities and History

The Chamber of Commerce of Lawrence, Kansas (a Kansas nonprofit organization) was incorporated November 22, 1922. The Chamber's purpose is to promote and foster business, commerce and industry to the benefit of the City of Lawrence, Kansas.

Economic Development Partnership – The Economic Development Department of the Chamber of Commerce focuses on activities to create an environment for businesses to succeed and the community to prosper. Specific programs encourage business retention and expansion, and business attraction efforts. The Chamber receives economic development funding from public and private sources.

Leadership Lawrence – Leadership Lawrence focuses on skill development, familiarization of community, networking, facilitation skills and continuing education of alumni, businesses and the community at large. Leadership Lawrence generates tuition, sponsorship and activity revenue for the Chamber.

Membership – Membership of the Chamber of Commerce focuses on recruitment of new members, retention and communication with existing members. This Department also works on development of member services and events, non-dues revenue activities and programs and increasing the visibility of the Chamber of Commerce in the community. Member dues are generated based upon the size and type of business.

The Lawrence Foundation was formed as a Kansas nonprofit 501(c)3 under the Internal Revenue Service code to accept charitable gifts on behalf of the Chamber of Commerce.

3. Basis of Accounting

The combined financial statement has been prepared on the accrual basis of accounting, which is in conformity with accounting principles generally accepted in the United States of America. In accordance with the AICPA's Audit and Accounting Guide, "Not for Profit Organizations", the Chamber of Commerce is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended December 31, 2017

NOTE A – SUMMARY OF ACCOUNTING POLICIES – continued

4. Accounts Receivable

The Chamber of Commerce considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

5. Property, Equipment and Depreciation

When expenditures over \$2,500 result in the purchase of an asset having an estimated useful life extending substantially beyond the year of acquisition, the expenditure is capitalized at cost and depreciated. Depreciation is provided over the estimated useful life of the assets (ranging from 3 to 15 years) using the straight-line method.

Depreciation is computed on the straight-line method over the estimated service life of the asset based upon the following service life for the major classes of depreciable assets.

<u>Major class of depreciable assets</u>	<u>Service life</u>
Leasehold improvements	15 years
Property and equipment	3 to 7 years

6. Advertising

The Chamber of Commerce expenses advertising costs as incurred as management believes there is no future benefit to these costs beyond one year.

7. Donated Services and Materials

The Chamber of Commerce receives assistance in the form of volunteers who provide services which assist in meeting program objectives. These services are recorded when there is an objective basis available to measure their value. During the year ended December 31, 2017, there were not any services meeting the requirements for recognition in the financial statements. Donated materials are valued at available market price as of the date of the gift. Donated rent was recorded.

8. Temporarily Restricted Net Assets

Management reports gifts or restricted grants as temporarily restricted if they are received with donor or grantor stipulations that limit the use of the gift or grant. There are no permanently restricted net assets at December 31, 2017.

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the year ended December 31, 2017

NOTE A – SUMMARY OF ACCOUNTING POLICIES – continued

9. Cash and Cash Equivalents

The Chamber of Commerce considers demand deposits and funds invested in certificates of deposit with a maturity of three months or less to be cash equivalents.

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

11. Income Taxes

The Chamber of Commerce and the Foundation are not subject to income tax under 501(c)(6) and 501(c)(3), respectively, of the Internal Revenue Service code.

The Chamber's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2014, 2015, 2016 are subject to examination by the IRS.

NOTE B – CASH AND INVESTMENTS

Custodial risk deposits – At year-end the book carrying amount of the Chamber of Commerce's bank deposits was \$330,111 as of December 31, 2017. The bank balance was \$333,007 as of December 31, 2017. The difference between the carrying amount and the bank balance was outstanding checks and deposits in transit. Of the bank balance \$333,007 was covered by FDIC insurance as of December 31, 2017.

Investment policy – The Chamber of Commerce's investment policy is to invest in certificates of deposit and floating rate bonds. The Chamber of Commerce does not allow for the investment of funds in stocks, mutual funds, stock options or derivatives.

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended December 31, 2017

NOTE C – ACCOUNTS RECEIVABLE

The balance in accounts receivable is detailed as follows:

Economic development	\$	1,964
Leadership Lawrence		4,312
Membership dues		22,492
Events and programs		<u>23,885</u>
Total	\$	<u><u>52,653</u></u>

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consists of:

Office furniture and equipment	\$	103,603
Accumulated depreciation		<u>(51,240)</u>
Property and equipment, net	\$	<u><u>52,363</u></u>

Depreciation expense for 2017 was \$8,991.

NOTE E – TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2017, the Chamber of Commerce had the following temporarily restricted net assets available:

Metro E-Community - restricted by purpose	\$	<u>16,667</u>
Total	\$	<u><u>16,667</u></u>
Net assets released from donor restrictions		
Leadership Lawrence	\$	<u>9,099</u>
Total	\$	<u><u>9,099</u></u>

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the year ended December 31, 2017

NOTE F – OPERATING LEASES

Lessee

The Chamber of Commerce rents office space, telephone equipment and a copier under various operating leases. These leases have terms which extend past the current year and are summarized below. The office and equipment rents expense for the year ended December 31, 2017 was \$109,703 and is included within several accounts on the combined statement of activities. The following is a schedule of the future minimum lease payments required under these leases as of December 31, 2017:

Year ended December 31,	<u>Building</u>	<u>Telephone</u>	<u>Copier</u>
2018	\$ 70,650	\$ 2,398	\$ 4,788
2019	70,650	2,398	4,788
2020	70,650	2,398	4,788
2021	71,900	1,999	3,990
2022 and thereafter	<u>393,169</u>	<u>-</u>	<u>-</u>
	<u>\$ 677,019</u>	<u>\$ 9,193</u>	<u>\$ 18,354</u>

Lessor

The Chamber has an informal agreement with the KU Small Business Development Center to sublease office space. Rental payments received during the year ending December 31, 2017 were \$20,000.

The following is a schedule of the future minimum lease payments anticipated to be received as of December 31, 2017:

2018	\$ 20,000
2019	<u>5,000</u>
	<u>\$ 45,000</u>

NOTE G – FUNCTIONAL EXPENSES

Program and management expenses were \$928,319 and \$519,653 respectively for the year ended December 31, 2017. There were no fundraising expenses for this period.

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended December 31, 2017

NOTE H – RETIREMENT PLAN

The Chamber established a 401(k) salary deferral plan beginning January 1, 1997. The election deferral may be up to 10% of the employee's compensation per year. The employer makes matching contributions for all participants in an amount determined by the employer each year. The amount of the employer's contribution for December 31, 2017 was \$47,879.

NOTE I – COMPENSATED ABSENCES

The Chamber of Commerce provides for sick and vacation leave. At the start of the calendar year each employee is credited with 10 days of sick leave. Sick leave does not carry over from one year to another. There is no cash value upon termination. Vacation leave accrues as follows: one day per month (12 days/year) for 1-5 years of full time employment, 1.3334 days per month (16 days/year) for 6-10 years of employment, and 1.6667 days per month (20 days/year) for 11+ years of employment. Employees can carry over only 5 days unused vacation time to the next year. Upon termination of employment with the Chamber, an employee will be paid for that time at their regular base hourly rate, up to a maximum of 20 days.

NOTE J – SUBSEQUENT EVENTS

The Corporation evaluated subsequent events through August 13, 2018, the date the financial statements were available to be issued.

NOTE K – CONCENTRATIONS

During the year ended December 31, 2017 the Chamber received approximately 30% of its revenue from local government sources. In the event this revenue was discontinued or severely restricted, the activities of the Chamber might be impaired.

NOTE L – KU SMALL BUSINESS DEVELOPMENT CENTER

The Chamber receives \$20,000 each from the City of Lawrence and Douglas County as an intermediary for the KU Small Business Development Center (KU SBDC). These funds are received and simultaneously distributed by the Chamber to the KU SBDC through a suspense account and are not reflected as revenue or expense on these financial statements.

NOTE M – ECONOMIC DEVELOPMENT CORPORATION

Through a management agreement the Chamber provides shared administrative personnel, office space and business resources to the Economic Development Corporation of Lawrence and Douglas County (EDC) at the agreed upon amount of \$15,000 per annum. Through the same agreement the EDC agrees to receive donations and pledges directly related to a Chamber-based Economic Development Campaign. The EDC has agreed to remit \$200,000 annually to the Chamber for Economic Development.

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended December 31, 2017

NOTE M – ECONOMIC DEVELOPMENT CORPORATION – continued

The EDC paid \$50,000 of 2018 funding to the Chamber in December of 2017. Commensurate with the management agreement in 2017 the Chamber received \$15,000 for services provided to the EDC as well as \$200,000 for economic development.

In accordance with FASB ASC 958-20, the Chamber has determined the EDC to be a financially interrelated entity as of December 31, 2017 and provides the following disclosure of the EDC's unaudited financial position as of December 31, 2017:

Assets

Cash and cash equivalents		\$	337,697
Other current assets			1,240,991
Property and equipment, net			87,234
Other assets			45,001
			45,001
Total assets		\$	1,710,923

Liabilities and Net Assets

Current liabilities		\$	1,355,852
Long term liabilities			150,000
			150,000
Total liabilities			1,505,852
Net assets			205,071
			205,071
Total liabilities and net assets		\$	1,710,923

Summary of Statements of Operations

			<u>Period Ended</u> <u>12/31/2017</u>
Total revenues		\$	254,215
Total expenses			(429,640)
			(429,640)
Net expenses in excess of revenues		\$	(175,425)

SUPPLEMENTAL INFORMATION

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
COMBINING SCHEDULE OF FINANCIAL POSITION
December 31, 2017

	Chamber	Foundation	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents-unrestricted	\$ 330,211	\$ -	\$ -	\$ 330,211
Accounts receivable	52,653	-	-	52,653
Prepaid expenses	9,523	-	-	9,523
	392,387	-	-	392,387
TOTAL CURRENT ASSETS	392,387	-	-	392,387
Property and equipment, net	52,363	-	-	52,363
	52,363	-	-	52,363
TOTAL ASSETS	444,750	-	-	444,750
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	13,239	-	-	13,239
Payroll liabilities	8,886	-	-	8,886
US Bank - credit card payable	3,780	-	-	3,780
Accrued compensated absences	9,069	-	-	9,069
Deferred revenue	67,500	-	-	67,500
	102,474	-	-	102,474
TOTAL CURRENT LIABILITIES	102,474	-	-	102,474
NET ASSETS				
Unrestricted	325,609	-	-	325,609
Temporarily restricted	16,667	-	-	16,667
	342,276	-	-	342,276
TOTAL NET ASSETS	342,276	-	-	342,276
TOTAL LIABILITIES AND NET ASSETS	\$ 444,750	\$ -	\$ -	\$ 444,750

See auditor's report

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
COMBINING SCHEDULE OF ACTIVITIES BY DEPARTMENT COMPARED TO BUDGET
For the year ended December 31, 2017

	Economic Development <u>Partnership</u>	Leadership Lawrence <u>Lawrence</u>	<u>Membership</u>
REVENUE			
Membership retention, net	\$ -	\$ -	\$ 399,241
New membership and fees	-	-	56,358
ED funding - public	400,000	-	-
ED funding - private	200,000	-	-
EDC management contract	15,000	-	-
Leadership Lawrence tuition	-	52,295	-
LL activities and events	-	8,995	-
LL sponsorship	-	23,785	-
Member activities and events	-	-	156,341
Interest income	-	-	356
Rental income	-	-	20,000
Other income	-	-	5,820
Assets released from restrictions	-	9,099	-
TOTAL REVENUES	<u>615,000</u>	<u>94,174</u>	<u>638,116</u>
OPERATIONAL EXPENSES			
Member activities and events	-	-	57,883
Member advocacy/communication	-	-	21,608
Direct mail/newsletter/broch	-	-	-
Economic development	211,512	-	-
Leadership Lawrence events	-	17,028	-
Postage and shipping	-	-	-
Professional development	4,554	-	939
Travel expenses	1,097	-	2,837
TOTAL OPERATIONAL EXPENSES	<u>217,163</u>	<u>17,028</u>	<u>83,267</u>
PERSONNEL EXPENSES			
Salaries	265,892	26,350	195,128
Employee benefits	40,148	5,091	42,968
New member commissions	-	-	510
Payroll taxes	18,969	2,086	17,623
TOTAL PERSONNEL EXPENSES	<u>325,009</u>	<u>33,527</u>	<u>256,229</u>

See auditor's report

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
COMBINING SCHEDULE OF ACTIVITIES BY DEPARTMENT COMPARED TO BUDGET
For the year ended December 31, 2017

<u>Admin</u>	<u>Restricted Funds</u>	<u>Total Chamber</u>	<u>Budget</u>	<u>Variance Favorable Unfavorable</u>
\$ -	\$ -	\$ 399,241	\$ 424,800	\$ (25,559)
-	-	56,358	45,000	11,358
-	-	400,000	400,000	-
-	-	200,000	200,000	-
-	-	15,000	15,000	-
-	-	52,295	56,502	(4,207)
-	-	8,995	4,500	4,495
-	-	23,785	15,000	8,785
-	-	156,341	154,351	1,990
-	-	356	500	(144)
-	-	20,000	20,000	-
-	-	5,820	-	5,820
-	(9,099)	-	-	-
-	(9,099)	1,338,191	1,335,653	2,538
-	-	57,883	49,000	8,883
-	-	21,608	27,550	(5,942)
-	-	-	-	-
-	-	211,512	198,000	13,512
-	-	17,028	4,700	12,328
2,209	-	2,209	3,100	(891)
9,518	-	15,011	12,500	2,511
4,250	-	8,184	13,000	(4,816)
15,977	-	333,435	307,850	25,585
256,338	-	743,708	718,990	24,718
22,043	-	110,250	105,500	4,750
-	-	510	5,000	(4,490)
19,231	-	57,909	61,200	(3,291)
297,612	-	912,377	890,690	21,687

See auditor's report

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
COMBINING SCHEDULE OF ACTIVITIES BY DEPARTMENT COMPARED TO BUDGET
For the year ended December 31, 2017

	Economic Development Partnership	Leadership Lawrence	Membership
ADMINISTRATIVE EXPENSES			
Dues and subscriptions	1,146	-	339
Community relations	375	-	45
Advertising	-	-	-
Commercial insurance	-	-	-
Equipment lease and maintenance	-	-	-
Meals and entertainment	829	-	2,151
Office expense	-	-	-
Professional fees	-	-	-
Rent and building maintenance	-	-	-
Retreat expense	-	-	-
Staff appreciation	-	-	50
Technology maintenance	-	-	-
Telephone	1,296	997	997
Utilities	-	-	-
TOTAL ADMINISTRATIVE EXPENSES	<u>3,646</u>	<u>997</u>	<u>3,582</u>
TOTAL EXPENSES	545,818	51,552	343,078
OTHER EXPENSES			
Depreciation	-	-	-
Allocated administrative overhead	186,345	25,881	305,399
TOTAL OTHER EXPENSES	<u>186,345</u>	<u>25,881</u>	<u>305,399</u>
CHANGE IN NET ASSETS	<u><u>\$ (117,163)</u></u>	<u><u>\$ 16,741</u></u>	<u><u>\$ (10,361)</u></u>
NET ASSETS BEGINNING OF YEAR			
NET ASSETS END OF YEAR			

See auditor's report

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
COMBINING SCHEDULE OF ACTIVITIES BY DEPARTMENT COMPARED TO BUDGET
For the year ended December 31, 2017

Admin	Restricted Funds	Total Chamber	Budget	Variance Favorable Unfavorable
2,944	-	3,364	6,000	(2,636)
3,545	-	3,545	13,000	(9,455)
8,879	-	8,879	10,000	(1,121)
6,289	-	6,289	8,000	(1,711)
4,389	-	7,369	-	7,369
22,992	-	22,992	41,100	(18,108)
24,367	-	24,367	26,000	(1,633)
76,429	-	76,429	71,650	4,779
412	-	412	500	(88)
1,962	-	2,012	-	2,012
17,439	-	17,439	13,300	4,139
8,817	-	12,107	9,300	2,807
13,902	-	13,902	15,000	(1,098)
194,043	-	202,268	218,850	(16,582)
507,632	-	1,448,080	1,417,390	(132,896)
8,991	-	8,991	8,991	2,355
(517,625)	-	-	-	-
(508,634)	-	8,991	8,991	2,355
<u>\$ 1,002</u>	<u>\$ (9,099)</u>	<u>\$ (118,880)</u>	<u>\$ (7,055)</u>	<u>\$ 133,079</u>
		<u>461,156</u>		
		<u>\$ 342,276</u>		

See auditor's report

Agency Name:		2020 Budget Request Form				4/12/2019	
Chamber/Economic Development							
	2016	2017	2018	2019	2019	2020	
	Actual	Actual	Actual	Adopted	Current	Budget	
				Budget	Estimates	Request	
Revenues:							
Douglas County (Includes KUSBDC)	\$220,000	\$220,000	\$220,000	\$195,000	\$195,000	\$195,000	
City of Lawrence (Includes KUSBDC)	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	
Chamber Capital Campaign funds	\$202,581	\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	
EDC Management Contract	\$30,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	
Beginning Balance	\$77,938	\$122,589	\$8,823	\$27,744	\$27,744	-\$10,956	
Total Revenues:							
	\$750,519	\$777,589	\$713,823	\$707,744	\$707,744	\$669,044	
Expenditures:							
Business Retention and Expansion	\$23,662	\$11,386	\$16,430	\$15,000	\$15,000	\$15,000	
Business Recruitment/Development and Marketing	\$57,357	\$24,477	\$48,557	\$15,000	\$45,000	\$15,000	
Entrepreneurship	\$0	\$0	\$390	\$4,000	\$2,000	\$2,000	
Workforce Development	\$0	\$84,614	\$43,422	\$60,000	\$60,000	\$60,000	
Workforce/Peaslee Support	\$0	\$50,000	\$0	\$0	\$0	\$0	
Site and Infrastructure Capacity	\$0	\$1,250	\$6,668	\$2,000	\$2,000	\$2,000	
KCADC	\$10,000	\$10,000	\$10,220	\$10,000	\$10,000	\$10,000	
BTBC	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
KUSBDC	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	
KDOC/Team Kansas	\$10,000	\$2,500	\$5,000	\$2,500	\$2,500	\$2,500	
Kansas Research Nexus	\$1,004	\$475	\$1,210	\$1,000	\$1,000	\$1,000	
Capital Campaign Reimbursement	\$33,400	\$0	\$0	\$0	\$0	\$0	
Professional Development	\$3,861	\$7,873	\$4,057	\$5,000	\$5,000	\$5,000	
Travel/Mileage	\$3,071	\$2,647	\$2,104	\$4,000	\$4,000	\$4,000	
Investor Relations	\$2,740	\$6,219	\$2,980	\$3,000	\$3,000	\$3,000	
Meals and Entertainment	\$2,742	\$2,367	\$2,515	\$2,200	\$2,200	\$2,200	
Research and Publication	\$10,621	\$0	\$3,949	\$0	\$2,000	\$0	
Salaries and Benefits	\$323,349	\$430,202	\$383,259	\$436,000	\$410,000	\$420,000	
Admin and Overhead							
Dues & Subscriptions	\$5,196	\$1,750	\$2,203	\$1,800	\$2,000	\$1,800	
Community Relations	\$1,456	\$1,435	\$1,444	\$1,800	\$1,800	\$1,800	
Advertising	\$2,717	\$1,275	\$943	\$1,300	\$1,300	\$1,300	
Commercial Insurance	\$3,860	\$3,196	\$2,894	\$3,400	\$3,000	\$3,400	
Equipment Lease/Purchase/Maint	\$8,495	\$2,264	\$2,414	\$2,800	\$2,600	\$2,800	
Miscellaneous	\$4,411	\$1,743	\$2,263	\$1,500	\$2,400	\$1,500	
Office Supplies/Expense	\$6,795	\$6,827	\$3,014	\$7,000	\$5,000	\$7,000	
Professional Fees	\$8,640	\$12,456	\$24,933	\$9,800	\$20,000	\$9,800	
Rent/Building Maintenance	\$27,470	\$27,515	\$34,163	\$25,800	\$35,000	\$25,800	
Communications	\$922	\$2,088	\$821	\$1,100	\$1,100	\$1,100	
Technology Maintenance	\$6,426	\$4,732	\$8,440	\$4,800	\$9,000	\$4,800	
Telephone	\$3,231	\$4,470	\$4,743	\$4,300	\$4,300	\$4,300	
Utilities	\$6,504	\$5,005	\$7,043	\$5,000	\$7,500	\$5,000	
Total Expenditures:							
	\$627,930	\$768,766	\$686,079	\$690,100	\$718,700	\$672,100	
Ending Fund Balance		\$122,589	\$8,823	\$27,744	\$17,644	-\$10,956	-\$3,056