

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

**FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS**

December 31, 2015

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REPORT OF INDEPENDENT AUDITORS

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, 2015 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.

Basis for Qualified Opinion

As explained in Note F to the financial statements, \$220,050 of unconditional promises to give have not been recorded in the financial statements. Accounting principles generally accepted in the United States of America require unconditional promises to give with payments due in future periods to be reported as restricted support.

Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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, 2015, 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.



Driver & Holloman, LLC

June 24, 2016

**CHAMBER OF COMMERCE OF LAWRENCE, KANSAS
& LAWRENCE FOUNDATION**
COMBINED STATEMENT OF FINANCIAL POSITION
December 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$ 333,093
Cash and cash equivalents - restricted	13,815
Accounts receivable	58,843
Prepaid expenses	8,735
Employee advance	<u>352</u>

TOTAL CURRENT ASSETS 414,838

Property and equipment, net 58,024

TOTAL ASSETS \$ 472,862

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 7,733
Payroll liabilities	12,590
US Bank - credit card payable	4,077
Gift certificates payable	3,920
Accrued compensated absences	<u>9,761</u>

TOTAL CURRENT LIABILITIES 38,081

NET ASSETS

Unrestricted	425,682
Temporarily restricted	<u>9,099</u>

TOTAL NET ASSETS 434,781

TOTAL LIABILITIES AND NET ASSETS \$ 472,862

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, 2015

	UNRESTRICTED NET ASSETS	TEMPORARILY RESTRICTED NET ASSETS	TOTAL
REVENUE			
Membership retention, net	\$ 418,752	\$ -	\$ 418,752
New membership and fees	41,361	-	41,361
ED funding - public	399,500	-	399,500
ED funding - private	218,828	-	218,828
EDC management contract	30,000	-	30,000
Leadership Lawrence tuition	54,194	-	54,194
LL activities and events	10,514	-	10,514
LL tuition scholarship	3,000	-	3,000
LL sponsorship	16,890	-	16,890
Member activities and events	147,514	-	147,514
Interest income	474	-	474
Rental income	15,960	-	15,960
Other income	336	-	336
Assets released from restrictions	-	-	-
TOTAL REVENUES	<u>1,357,323</u>	<u>-</u>	<u>1,357,323</u>
OPERATIONAL EXPENSES			
Member activities and events	49,741	-	49,741
Member advocacy/communication	23,778	-	23,778
Economic development	114,244	-	114,244
Leadership Lawrence events	2,314	-	2,314
Postage and shipping	2,872	-	2,872
Professional development	10,922	-	10,922
Travel expenses	11,787	-	11,787
TOTAL OPERATIONAL EXPENSES	<u>215,658</u>	<u>-</u>	<u>215,658</u>
PERSONNEL EXPENSES			
Salaries	621,326	-	621,326
Employee benefits	89,603	-	89,603
New member commissions	540	-	540
Payroll taxes	54,363	-	54,363
TOTAL PERSONNEL EXPENSES	<u>765,832</u>	<u>-</u>	<u>765,832</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, 2015

	UNRESTRICTED NET ASSETS	TEMPORARILY RESTRICTED NET ASSETS	TOTAL
ADMINISTRATIVE EXPENSES			
Dues and subscriptions	\$ 6,137	\$ -	\$ 6,137
Community relations	2,894	-	2,894
Advertising	5,569	-	5,569
Commercial insurance	11,455	-	11,455
Equipment lease and maintenance	22,627	-	22,627
Office expense	47,519	-	47,519
Professional fees	26,142	-	26,142
Rent and building maintenance	95,406	-	95,406
Communications	2,447	-	2,447
Retreat expense	1,267	-	1,267
Technology maintenance	12,104	-	12,104
Telephone	15,051	-	15,051
Utilities	18,351	-	18,351
TOTAL ADMINISTRATIVE EXPENSES	<u>266,969</u>	<u>-</u>	<u>266,969</u>
Total expenses	<u>1,248,459</u>	<u>-</u>	<u>1,248,459</u>
OTHER EXPENSES			
Depreciation	<u>13,613</u>	<u>-</u>	<u>13,613</u>
TOTAL OTHER EXPENSES	<u>13,613</u>	<u>-</u>	<u>13,613</u>
CHANGE IN NET ASSETS	95,251	-	95,251
NET ASSETS BEGINNING OF YEAR	<u>330,431</u>	<u>9,099</u>	<u>339,530</u>
NET ASSETS END OF YEAR	<u>\$ 425,682</u>	<u>\$ 9,099</u>	<u>\$ 434,781</u>

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