

Chamber Claims Expense Totals Wrong

Report Gives Misleading Picture

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SPRINGDALE — Springdale Chamber of Commerce officials claim a review of their finances uses faulty information.

A review of chamber records by an accountant stated the organization needed better controls and reported excessive spending on travel and dining.

A gathering of five former, present and future chairmen of the chamber board, the chamber auditor and the chamber president pointed to the compilation of financial data as misleading.

"We have 185 different accounts," said John Lea, chamber chairman for 2006. "They rolled them all together. If I thought we'd paid those prices, I'd have questions, too."

The report stated the chamber spent \$768,154 over a three-year periods, with \$306,175 in travel and \$144,388 for dining. The report, prepared by Ervin and Company, stated expenses were not explained.

Ervin did not receive all the documents obtained by a Freedom of Information Act request, according to Perry Webb, chamber president. The documents were requested by Anita Davis, Springdale resident.

"The figures were compiled and given to Ervin," Webb said. "I know they didn't do it because they were our auditor from 1996 to 2002. They designed the system we use."

The figures included expenses, but not income, said Blake Hanby, 2009 chairman.

"We paid for a lot of trips out of our own pockets," Hanby said. "We would give the money to the chamber individually and they would pay the total bill. The totals made it look like the chamber paid for everything. It's not a true picture."

The travel expenses also included commissions given to those who sold advertising during the chamber's total resource campaign, Hanby said.

The campaign brought in \$900,000, with a 15 percent commission paid for sales. The payment came as travel vouchers, Webb said.

Other programs which took in money but only counted as expenses included the City Future II retreat, the chamber golf tournament and a leased suite at Arvest Ballpark, Webb said.

"We entertained groups at the ballpark, but we also rented it out to some groups," Webb said. "They would pay a rental fee and for all the food they ate."

Chamber banquets also were listed as expenses, Webb said, although sponsors covered almost the entire cost.

"They listed all of our banquets, but some were listed as entertainment and some as dining," Webb said.

The document from Ervin states its look at the chamber finances was limited in scope and did not include procedures normally used in an audit or accountants' review. The document recommended yearly audits.

The body that accredits the chamber, the U.S. Chamber of Commerce, requires an audit every three years, Webb said. The other two years require only a financial review.

The Ervin document recommended separating private money from those obtained under a contract with the city. Springdale pays the chamber \$100,000 per year for economic development.

"The chamber spent much more than \$100,000 for economic development," said Sam Fiser, with chamber auditor SF Fiser and Company. "They spent about \$400,000 in 2008. It would not be cost effective to allocate each expenditure between funds."