

**@SOUTHWEST LOUISIANA
INDEPENDENCE CENTER, INC .
Lake Charles, Louisiana**

**Audit of Financial Statements
September 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
@Southwest Louisiana Independence Center, Inc.
Lake Charles, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of @Southwest Louisiana Independence Center, Inc., (a non-profit organization) which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, cash flows, and functional expenses 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 design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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. Those standards require that I 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, I 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.

Board of Directors
@Southwest Louisiana Independence Center, Inc.
Lake Charles, Louisiana
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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of @Southwest Louisiana Independence Center, Inc. as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and is derived from the underlying accounting and other records 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 18, 2021, on my consideration of @Southwest Louisiana Independence Center, Inc.'s internal control over financial reporting and on my 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 my 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 *Government Auditing Standards* in considering @Southwest Louisiana Independence Center, Inc.'s internal control over financial reporting and compliance.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
June 18, 2021

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Lake Charles, Louisiana
Statement of Financial Position
As of September 30, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	2,358,262
Grants and other receivables		547,773
Insurance reimbursements receivable		462,679
Prepaid expenses		<u>83,406</u>
 Total Current Assets		 <u>3,452,120</u>

PROPERTY AND EQUIPMENT

Furniture and equipment		770,900
Building and improvements		<u>334,344</u>
		1,105,244
Less accumulated depreciation		<u>(513,159)</u>
		592,085
Land		<u>150,000</u>
 Net Property and Equipment		 <u>742,085</u>

OTHER ASSETS

Deposits		<u>5,033</u>
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TOTAL ASSETS

\$ 4,199,238

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	529,080
Accrued payroll and related expenses		235,151
Other accrued expenses		3,670
Current portion of notes payable		<u>13,301</u>
 Total Current Liabilities		 <u>781,202</u>

LONG TERM LIABILITIES

Notes payable - net of current portion		<u>1,065,070</u>
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TOTAL LIABILITIES

1,846,272

NET ASSETS

Without donor restrictions		<u>2,352,966</u>
 Total Net Assets		 <u>2,352,966</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 4,199,238

See accompanying notes to the financial statements.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Lake Charles, Louisiana
Statement of Activities
For The Year Ended September 30, 2020

SUPPORT

Medicaid waiver program	\$	4,782,920
Federal grants		472,522
State grants		204,168
Private pay and veterans affairs		189,355
Special events and other		31,391
Insurance recoveries (see note 3)		462,679
		462,679
Total Support		6,143,035

EXPENSES

Program expenses		5,394,065
Supporting services:		
Management and general		893,642
Loss on building impairment (see note 3)		246,089
		246,089
Total Expenses		6,533,796

CHANGE IN NET ASSETS (390,761)

UNRESTRICTED NET ASSETS - BEGINNING OF YEAR 2,743,727

UNRESTRICTED NET ASSETS - END OF YEAR \$ 2,352,966

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Lake Charles, Louisiana
Statement of Cash Flows
For The Year Ended September 30, 2020

Cash Flows From Operating Activities	
Change in net assets	\$ (390,761)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	69,704
(Increase) decrease in operating assets:	
Grants receivable	181,424
Prepaid expenses	(2,360)
Insurance reimbursements receivable	(462,679)
Increase (decrease) in operating liabilities:	
Accounts payable	360,623
Accrued payroll and related expenses	14,746
Other accrued expenses	(293)
	<hr/>
Total Adjustments	161,165
	<hr/>
Net Cash Provided (Used) By Operating Activities	(229,596)
	<hr/>
Cash Flows From Investing Activities	
Redemption of certificates of deposit	498,556
Building impairment	246,089
Purchase of property and equipment	(99,488)
	<hr/>
Net Cash Used By Investing Activities	645,157
	<hr/>
Cash Flows From Financing Activities	
Proceeds from long-term debt	825,022
Principal payments on bank loans	(12,527)
	<hr/>
Net Cash Provided (Used) by Financing Activities	812,495
	<hr/>
Net Increase (Decrease) In Cash	1,228,056
Cash - Beginning of Year	<hr/> 1,130,206
Cash - End of Year	<hr/> <hr/> \$ 2,358,262
Supplemental Disclosure:	
Interest paid	<hr/> <hr/> \$ 11,877

See accompanying notes to the financial statements.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Lake Charles, Louisiana
Statement of Functional Expenses
For The Year Ended September 30, 2020

	<u>Program Services</u>	<u>Supporting Services, Management & General</u>	<u>Total</u>
Advertising	\$ 8,701	\$ -	\$ 8,701
Audit expense	3,875	11,625	15,500
Bank service charges	1,278	3,833	5,111
Depreciation	-	69,704	69,704
Education and training	4,218	-	4,218
Insurance	210,638	37,171	247,809
Payroll taxes/fringe expense	415,756	21,882	437,638
Postage	4,159	734	4,893
Purchased services	50,348	-	50,348
Interpreting services	22,487	-	22,487
Rent	54,000	-	54,000
Repairs and maintenance	32,165	425,596	457,761
Salaries	4,397,766	231,461	4,629,227
Supplies	44,587	7,868	52,455
Telephone	24,671	4,354	29,025
Travel	38,078	-	38,078
Utilities	23,948	4,226	28,174
Consumer expenses	11,627	-	11,627
Office expenses	14,788	44,363	59,151
Interest	-	11,877	11,877
Miscellaneous	30,976	18,947	49,923
Total Expenses	<u>\$ 5,394,065</u>	<u>\$ 893,642</u>	<u>\$ 6,287,707</u>

See accompanying notes to the financial statements.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

@Southwest Louisiana Independence Center, Inc. was organized under Section 501 (c)(3) of the Internal Revenue Code as a nonprofit organization for the purpose of providing support services to the physically disabled and their families. A significant portion of the Center's revenues are Medicaid payments received for providing patient care services to Medicaid eligible individuals. The Center also receives grants from the U.S. Department of Education and the State of Louisiana Department of Social Services. The Center is not classified as a private foundation by the Internal Revenue Service.

Income Taxes

The Center is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and applicable state codes. Accordingly, no provision for federal and state income taxes is included in the financial statements. @Southwest Louisiana Independence Center, Inc.'s Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the IRS, generally for three (3) years after it was filed.

Method of Accounting

The accompanying financial statements of @Southwest Louisiana Independence Center, Inc. have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles. Net assets and revenues, expense, gains and losses are classified based on the existence or absence of grantor/contributor imposed or time restrictions.

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) in its Accounting Standard Codification (ASC) Topic, *Financial Statements of Not-for-Profit Organizations*. In accordance with this guidance, the Center is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets available subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements (Continued)
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Method of Accounting (Continued)

The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Center had bank deposits of \$2,365,687 at September 30, 2020 with a carrying value of \$2,358,262, which includes \$300 in petty cash.

For purposes of the statement of cash flows, the Center considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Center maintains bank accounts at various banks, where account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, the Center maintains deposit balances that exceed federally insured limits. Amounts in excess of insured limits at September 30, 2020 were \$1,351,366. The Center deposits its cash with high quality financial institutions, and management believes the Center is not exposed to significant credit risk on those amounts.

Use of Estimates

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

Property and Equipment/Depreciation and Amortization

Property and equipment are recorded at their historical cost. Donated assets are recorded at their estimated fair value on the date of the donation. Capital assets are defined as those acquired with an initial individual cost of more than \$500. Repairs and maintenance are charged to operations when incurred.

Furniture and equipment are being depreciated over estimated useful lives of three to fifteen years. The building is being depreciated over an estimated useful life of thirty-five years. The straight-line method of depreciation is being utilized. Depreciation expense was \$69,704 for the year ended September 30, 2020.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements (Continued)
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Center has a contingent liability in the amount of \$39,309 at September 30, 2020 for unused vacation. Sick leave is not vested, therefore no accrual is reflected in the financial statements.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$8,701 for the year ended September 30, 2020.

Performance Indicator

The Center utilizes revenues over expenses as its performance indicator.

Grants and Contributions

Grants and contributions are recognized as income when received. The Board reports grants as donor restricted support if they are received with stipulations that limit the use of the funds. When grantor restrictions expire, donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions. All other support is recognized when earned. Grants and contributions that are restricted by the grantor or donor are reported as increases in without donor restricted net assets if the restrictions expire in the same fiscal year in which the grants and contributions are recognized.

Functional Expenses

Expenses were allocated in the accompanying financial statements to program and support services functional expense groups. The methods of allocation were based on the Center's estimates of the relative proportion of each expense utilized for program or support service functions.

Investments

The Center reports its investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements (Continued)
September 30, 2020

NOTE 2 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of September 30, 2020:

Property and Equipment, October 1, 2019	\$ 1,454,367
Additions for the Year Ended September 30, 2020	99,487
Disposals for the Year Ended September 30, 2020	-
Building impairment for the Year Ended September 30, 2020	<u>(298,610)</u>
Property and Equipment, September 30, 2020	<u>\$ 1,255,244</u>
Accumulated Depreciation, October 1, 2019	\$ 495,977
Depreciation for the Year Ended September 30, 2020	69,704
Less Depreciation on Disposed Assets for the Year Ended September 30, 2020	-
Building impairment for the Year Ended September 30, 2020	<u>(52,522)</u>
Accumulated Depreciation, September 30, 2020	<u>\$ 513,159</u>
Net Book Value, September 30, 2020	<u>\$ 742,085</u>

NOTE 3 - CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. Management is not aware of any disallowed costs as of September 30, 2020.

In August 2020, Hurricane Laura inflicted extensive damage to the Center's Lake Charles office building. The Center is currently restoring the office building and has incurred significant costs which are expected to be partially reimbursed by their commercial property insurance policy. These financial statements include impairment losses resulting from Hurricane Laura damages totaling \$246,089. The impairment loss only considers the complete loss of various office building components and was calculated and valued based on the historical original cost of the destroyed component items. The restorative efforts of the remaining damages to the building are considered repairs and expensed as incurred. Restorative expenditures included in repairs total \$425,702 for the year ended September 30, 2020.

Restorative efforts to the Lake Charles office building are ongoing as of September 30, 2020. The cost to completely restore the building could range from \$490,000 to \$600,000.

The Center has filed an insurance claim and has approved insurance reimbursements of \$462,679 as of September 30, 2020. The Center is undertaking efforts to obtain additional insurance reimbursements from the hurricane damages to the Lake Charles office building, but the final potential settlement has not yet been determined.

The Center is subject to a pending claim and litigation related to the repair of the Lake Charles site office building. While the potential settlement is not yet determined, the estimated liability of \$319,920 is included in the Center's accounts payable line-item amount as of September 30, 2020. In addition, the Center is making efforts to obtain reimbursed for this expense from their commercial insurance policy.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements (Continued)
September 30, 2020

NOTE 4 - GRANTS AND OTHER RECEIVABLES

Grants receivable at September 30, 2020 consisted of reimbursements for expenses incurred in the following programs:

<u>Program</u>	<u>Amount</u>
Telecommunications Device Distribution	\$ 6,750
State Personal Care Attendant Contract	3,141
CARES Grant	8,074
Elderly Disabled Adults	273,201
SLIC Interpreting	8,531
Children's Choice	22,440
Long Term Personal Care Services	78,424
Supportive Employment	35,061
LCD Interpreting	788
Supportive Services Provider	10,785
Private Pay	994
Other	13,134
Veterans Affairs	<u>86,450</u>
Total Receivable	<u>\$ 547,773</u>

NOTE 5 - OPERATING LEASES

The Center currently leases office space for the Lafayette and Leesville offices. The lease agreement for the Lafayette site is for a 36-month period beginning June 30, 2019 with a monthly fee of \$3,000 ending on June 30, 2022. The lease agreement for the Leesville site is for a 60-month period beginning August 1, 2019 through July 31, 2024 with a monthly fee of \$1,500. Total rent expense reflected in these financial statements for the year ended September 30, 2020 is \$54,000.

The following is a schedule of future minimum rental payments due under the non-cancelable lease agreements for the years ending September 30:

2021	\$ 54,000
2022	\$ 45,000
2023	\$ 18,000
2024	\$ 15,000

NOTE 6 - RISK MANAGEMENT

The Center has purchased commercial insurance for its general liability and worker's compensation insurance. They have not retained any risk with relation to these activities.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements (Continued)
September 30, 2020

NOTE 7 - ECONOMIC DEPENDENCY

The Center receives the majority of its revenue from funds provided by state and federal grants as well as through a contract for patient care services provided to Medicaid eligible individuals. If significant budget cuts are made at the federal and/or state level or the Medicaid contract is not renewed, the amount of funds the Center receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Center will receive in the next fiscal year.

NOTE 8 - RETIREMENT PLAN

The Center participates in a SIMPLE IRA retirement plan for the benefit of its employees. The plan allows employees who anticipate earning more than \$5,000 in the current year to participate and allows them to contribute a percentage of their pay or a flat dollar amount up to a maximum annual contribution of \$13,500. The plan requires employer-matching contributions on a dollar-for-dollar basis up to 3% of each employee's compensation. The employer may elect, upon advance notice to the employees, to make a maximum match of less than 3% but not less than 1% of employee's compensation; however, this election can only be made during two out of any consecutive five-year periods. Employer matching contributions for the fiscal year ended September 30, 2020 was \$14,614.

NOTE 9 - LINE OF CREDIT

The Center has a line of credit with an available limit of \$50,000. Interest accrues and is payable monthly at 3.70% on any outstanding balance. The line is secured by the Center's deposits held by the lender. The balance due on this line of credit was \$-0- as of September 30, 2020.

NOTE 10 - FAIR VALUE OF INSTRUMENTS

The Center has a number of financial instruments, none of which is held for trading purposes. The Center estimates that the fair value of all financial instruments at September 30, 2020 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Center using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the agency could realize in a current market exchange. The recorded values of cash and cash equivalents, grants and other receivables, insurance proceeds receivable, prepaid expenses, accounts payable, and accrued expenses approximate their fair values based on their short-term nature. The recorded values of notes payable approximate their fair value, as interest is insignificant.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements (Continued)
September 30, 2020

NOTE 11 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Center has \$2,906,035 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$2,358,262 and grants receivable of \$547,773. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The Center has a goal to maintain financial assets which consist of cash on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$1,000,000. The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, the Center deposits cash in excess of daily requirements in certificate of deposit investments.

NOTE 12 - NOTES PAYABLE

Notes payable as of September 30, 2020 consisted of the following:

Bank note dated November 6, 2014, payable in 120 equal monthly installments of \$2,033.71, the final payment to be paid November 5, 2024, including interest at 4.49%, collateralized by real estate with a carrying value of \$827,958.	\$ 253,349
Paycheck Protection Program note payable dated September 15, 2020 in the amount of \$825,022; matures on September 15, 2022 bearing fixed interest of 1.00%. Interest only payments are due until maturity. The note may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before March 2, 2021. The Organization intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.	<u>825,022</u>
Total debt	1,078,371
Less current portion	<u>13,301</u>
Long-term debt	<u><u>\$ 1,065,070</u></u>

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements (Continued)
September 30, 2020

NOTE 12 - NOTES PAYABLE (CONTINUED)

Maturities of debt are as follows:

<u>September 30:</u>	<u>Amount</u>
2021	\$ 13,053
2022	838,880
2023	14,494
2024	15,158
2025	196,786
Thereafter	<u>-</u>
Total	<u>\$ 1,078,371</u>

NOTE 13 - SUBSEQUENT EVENT

The Center evaluated its September 30, 2020 financial statements for subsequent events through the date the financial statements were available to be issued, and noted the following item.

In October 2020, the Center incurred additional damages to their Lake Charles office building due to Hurricane Delta. As of the date the financial statements were available to be issued, the range of loss is estimated to be from \$32,000 to \$50,000.

STEVEN M. DEROUEN & ASSOCIATES, LLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S 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

The Board of Directors
@Southwest Louisiana Independence Center, Inc.
Lake Charles, Louisiana

I have audited, in accordance with the 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, the financial statements of @Southwest Louisiana Independence Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 18, 2021.

Internal Control over Financial Reporting

In planning and performing my audit, I considered @Southwest Louisiana Independence Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of @Southwest Louisiana Independence Center, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of @Southwest Louisiana Independence Center, Inc.'s internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Directors
@Southwest Louisiana Independence Center, Inc.
Lake Charles, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether @Southwest Louisiana Independence Center, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
June 18, 2021

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Schedule of Findings and Responses
September 30, 2020

Section I – Summary of Auditor’s Report

Financial Statements

Type of auditor’s report issued			Unmodified
Internal control over financial reporting:			
Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Significant deficiency identified not considered to be a material weakness?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported	
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

Section II – Financial Statement Findings

There were no current year financial statement findings.

Section III – Compliance Findings

There were no current year compliance findings.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Schedule of Prior Year Audit Findings
September 30, 2020

Prior Year Findings

There were no prior year financial statement findings.

@SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.

**Schedule of Compensation, Benefits and Other
Payments to the Executive Director**

Year Ended September 30, 2020

NO COMPENSATION PAID FROM PUBLIC FUNDS

Agency Head: Mitch Granger, Executive Director

Purpose	Amount
Salary	\$ 0.00
Benefits-insurance	0.00
Benefits-retirement	0.00
Benefits-Other	0.00
Car allowance	0.00
Vehicle provided by Center	0.00
Reimbursements	0.00
Travel	0.00
Registration fees	0.00
Conference travel	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses	0.00
Special meals	0.00