

Chamber of Southwest Louisiana

COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Boards of Directors
Chamber of Southwest Louisiana
Southwest Louisiana Partnership for Economic Development
Southwest Louisiana Alliance Foundation, Inc.
Lake Charles, Louisiana

We have audited the accompanying combined statement of assets, liabilities, and net assets - cash basis of the Chamber of Southwest Louisiana, the Southwest Louisiana Partnership for Economic Development, and the Southwest Louisiana Alliance Foundation, Inc. (the Chamber) (nonprofit organizations) as of December 31, 2020, and the related combined statement of revenue, expenses, and other changes in net assets - cash basis and combined statement of functional expenses - cash basis 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 the modified cash basis of accounting as described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditors' 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 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 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 auditors' 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 assets, liabilities, and net assets of the Chamber, as of December 31, 2020, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

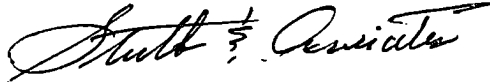
In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2021, on our consideration of the Chamber's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Chamber's internal control over financial reporting and compliance.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining financial statements and the schedule of compensation, benefits, and other payments to agency head or chief executive officer listed as supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of the Chamber. 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 combined 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.

Report on Summarized Comparative Information

We have previously audited the Chamber's 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated May 20, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Stulb & Associates".

Lake Charles, Louisiana
September 27, 2021

**The Chamber of Southwest Louisiana
 COMBINED STATEMENTS OF ASSETS,
 LIABILITIES, AND NET ASSETS - CASH BASIS
 December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,603,876	\$ 1,164,104
Certificates of deposit	101,000	100,000
Restricted cash	<u>555,179</u>	<u>685,803</u>
Total Current Assets	2,260,055	1,949,907
PROPERTY AND EQUIPMENT		
Furniture, fixtures, and equipment	423,035	415,413
Accumulated depreciation	<u>(401,496)</u>	<u>(386,186)</u>
Net Property and Equipment	21,539	29,227
TOTAL ASSETS	<u>\$ 2,281,594</u>	<u>\$ 1,979,134</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll Liabilities	<u>\$ 7,984</u>	<u>\$ 2,781</u>
Total Current Liabilities	7,984	2,781
NET ASSETS		
Without donor restrictions	1,884,656	1,697,574
With donor restrictions	<u>388,954</u>	<u>278,779</u>
Total Net Assets	<u>2,273,610</u>	<u>1,976,353</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,281,594</u>	<u>\$ 1,979,134</u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND
OTHER CHANGES IN NET ASSETS - CASH BASIS
Years Ended December 31, 2020 and 2019

	<u>2020</u>			<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support, and Gains						
Membership dues	\$ 650,053	\$ -	\$ 650,053	\$ 758,660	\$ -	\$ 758,660
SWLA on the Move Campaign	788,014	-	788,014	851,845	-	851,845
Programs	473,222	200,413	673,635	604,507	240,139	844,646
Rental Income	98,367	-	98,367	151,172	-	151,172
Payroll Protection Plan Grant Income	118,260	-	118,260	-	-	-
Grants	177,322	-	177,322	270,791	-	270,791
Interest income	4,511	-	4,511	3,166	-	3,166
Total Revenue and Gains	<u>2,309,749</u>	<u>200,413</u>	<u>2,510,162</u>	<u>2,640,141</u>	<u>240,139</u>	<u>2,880,280</u>
Net Assets Released from Restrictions	90,238	(90,238)	-	106,539	(106,539)	-
Total Revenue, Support, and Gains	<u>2,399,987</u>	<u>110,175</u>	<u>2,510,162</u>	<u>2,746,680</u>	<u>133,600</u>	<u>2,880,280</u>
Expenses						
Program service	2,032,204	-	2,032,204	2,433,489	-	2,433,489
Management and general	146,025	-	146,025	149,635	-	149,635
Fundraising	34,676	-	34,676	34,347	-	34,347
Total Expenses	<u>2,212,905</u>	<u>-</u>	<u>2,212,905</u>	<u>2,617,471</u>	<u>-</u>	<u>2,617,471</u>
Increase (Decrease) in Net Assets	<u>187,082</u>	<u>110,175</u>	<u>297,257</u>	<u>129,209</u>	<u>133,600</u>	<u>262,809</u>
Net Assets at Beginning of Year	<u>1,697,574</u>	<u>278,779</u>	<u>1,976,353</u>	<u>1,568,365</u>	<u>145,179</u>	<u>1,713,544</u>
Net Assets at End of Year	<u>\$ 1,884,656</u>	<u>\$ 388,954</u>	<u>\$ 2,273,610</u>	<u>\$ 1,697,574</u>	<u>\$ 278,779</u>	<u>\$ 1,976,353</u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS
Years Ended December 31, 2020 and 2019

	2020				2019			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Advertising	\$ 61,501	\$ -	\$ -	\$ 61,501	183,860	-	-	\$ 183,860
Auto	14,112	1,568	-	15,680	20,062	2,229	-	22,291
Depreciation	13,778	1,531	-	15,309	23,225	2,580	-	25,805
Dues and subscriptions	14,571	-	-	14,571	16,750	-	-	16,750
Employee training	3,022	336	-	3,358	7,840	871	-	8,711
Employee benefits	99,912	12,614	3,488	116,014	92,494	10,316	2,853	105,663
Insurance	12,718	1,413	-	14,131	13,226	1,470	-	14,696
Interest	37	-	-	37	-	-	-	-
Office	75,495	8,388	-	83,883	81,304	9,034	-	90,338
Outside service	5,250	-	-	5,250	2,102	-	-	2,102
Payroll taxes	52,582	6,639	1,836	61,057	69,445	7,745	2,142	79,332
Professional fees	21,330	2,370	-	23,700	38,647	4,294	-	42,941
Program expenses (Note D)	705,961	-	-	705,961	776,520	-	-	776,520
Rent	95,322	3,476	-	98,798	125,907	3,476	-	129,383
Salaries	840,735	106,144	29,352	976,231	951,681	106,144	29,352	1,087,177
Travel	1,962	-	-	1,962	17,143	-	-	17,143
Telephone	13,916	1,546	-	15,462	13,283	1,476	-	14,759
TOTAL EXPENSES	<u>\$2,032,204</u>	<u>\$ 146,025</u>	<u>\$ 34,676</u>	<u>\$2,212,905</u>	<u>\$2,433,489</u>	<u>\$ 149,635</u>	<u>\$ 34,347</u>	<u>\$2,617,471</u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The accompanying financial statements reflect the combined financial statements of the Chamber of Southwest Louisiana (the Chamber) and all related entities as described below. The nominating committee of the Chamber elects the board of directors of the Chamber. The board of directors for the Southwest Louisiana Alliance Foundation, Inc. includes the Chamber board of directors along with other elected officials. The Partnership board of directors is comprised of three appointed members by each police jury in the district and the mayors of all incorporated municipalities within the district. The Chamber and the other entities share a common Executive Director, facilities, and personnel. Material inter-organization transactions and balances have been eliminated.

Nature of Activities

The combined financial statements include the accounts of the Chamber of Southwest Louisiana, the Southwest Louisiana Economic Development Alliance, and the Southwest Louisiana Partnership for Economic Development, Inc.

The Chamber of Southwest Louisiana, a nonprofit organization incorporated under the laws of the State of Louisiana, is exempt from federal income tax under section 501(c) 6 of the Internal Revenue Code. The Chamber's primary activity is acquiring members to promote ongoing regional development to cultivate a higher quality of life for all citizens. The Southwest Louisiana economic region served by the Chamber includes the parishes of: Calcasieu, Cameron, Beauregard, Allen and Jefferson Davis.

Southwest Louisiana Alliance Foundation, Inc., a nonprofit organization incorporated under the laws of the State of Louisiana, is exempt from federal income tax under Section 501(c) 3 of the Internal Revenue Code. The Alliance's primary activity is promoting the SWLA on the Move Campaign to further the economic welfare and development of the Southwest Louisiana region. It is an affiliate of the Chamber SWLA and is designed to supplement the industrial, business, and commercial development activities of that organization.

Southwest Louisiana Partnership for Economic Development, Inc., a nonprofit organization incorporated under the laws of the State of Louisiana, is exempt from federal income tax under section 501(c) 6 of the Internal Revenue Code. The Partnership's primary activity is acquiring Louisiana Economic Development grants to stimulate economic growth, quality of life, and job creation in the surrounding five parish area.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under GAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified cash basis, certain revenues and the related assets are recognized when received rather than when earned, and expenses and the purchase of assets are recognized when paid rather than when the obligation is incurred. Consequently, the Organization has not recognized receivables from various agencies and members or accounts payable to vendors and their related effects on earnings in the accompanying financial statements.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following net asset categories:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Use of estimates

The preparation of financial statements for the Chamber requires the use of management's 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. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes cash on hand, demand deposits, and all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

Support and Revenue

Contributions are recognized when the donation is received by the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributed Materials and Services

Donated materials, supplies, and advertising are reflected in the financial statements at their estimated values at the date of receipt. \$78,814 has been included in revenues for year ending December 31, 2020 with a corresponding charge to the applicable expense. \$51,900 of the donated program revenue is related to facility use for specific events and \$8,500 was donated advertising for various programs. Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

Advertising Costs

The Organization uses advertising to promote Southwest Louisiana in order to increase economic growth and quality of life for the region. Advertising costs are charged to operations when incurred. Total advertising costs for the year ended December 31, 2020 amounted to \$61,501.

Property and Equipment

It is the Chamber's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Assets donated with explicit restrictions regarding their use, as well as contributions of cash that must be used to acquire property and equipment, are reported as contributions with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Property and equipment are depreciated using the straight-line method with the following useful lives:

Furniture, fixtures, and equipment	3-7 years
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Depreciation expense for the year ending December 31, 2020 was \$15,309.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. This requires the allocation of certain cost between programs and supporting services based on estimates made by management. The expenses that are allocated on the basis of estimates of time and effort include compensation and benefits, auto, depreciation, employee training and benefits, insurance, office, professional fees, rent, and telephone.

The Chamber of Southwest Louisiana
 NOTES TO COMBINED FINANCIAL STATEMENTS
 December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

Vacation, compensation time, and sick leave are recorded as expenditures of the period in which they are paid. Employees can carry over no more than 40 hours of paid time off from one calendar year to the next and can accrue no more than 80 hours unused leave in any three year period of service. Upon termination of employment, the employee will be paid for any unused paid time off. Employees are able to accrue 24 hours of unused sick leave from one calendar year to the next. However, there will be no payment of unused sick leave upon separation of employment.

NOTE B – LEASING ARRANGEMENTS

The Chamber entered into a lease agreement with McNeese State University for the SEED Center on May 17, 2013. The lease is effective until December 31, 2043. Minimum annual rent beginning the effective date of the lease is \$33,755. In accordance with the lease agreement, rent is adjusted annually to reflect lease operating costs. The total rent expense for the year ending December 31, 2020 was \$34,563.

The following is a schedule of future minimum rental payments required for the lease with McNeese State University as of December 31, 2020:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$33,755
2022	33,755
2023	33,755
2024	33,755
2025	33,755
Thereafter	<u>607,590</u>
	<u>\$776,365</u>

The Chamber has agreed to sublease a portion of the space it occupies in the SEED Center to the Imperial Calcasieu Regional Planning & Development Commission (IMCAL). The sublease expires on July 31, 2023. The total rental income for the year ending December 31, 2020 from IMCAL was \$30,000 and the total rental expense to McNeese State University for this space was \$13,474. Minimum rentals on the operating lease with IMCAL for the next five years are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$30,000
2022	30,000
2023	17,500
2024	-
Total	<u>\$77,500</u>

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2020

NOTE B – LEASING ARRANGEMENTS – CONTINUED

As part of the Business Incubator Program, the Chamber is responsible for establishing sublease rental rates for leasing out space to small businesses and providing specific assistance needed to help them grow into larger, more profitable businesses. Rent collected in 2020 in connection with this program was \$68,227. The lease agreement with McNeese State University established rental rates owed for space that is utilized for the Business Incubator Program. Rent paid in 2020 in connection with this program was \$50,761.

NOTE C – RESTRICTIONS ON NET ASSETS

Board-Designated – The Chamber of Southwest Louisiana

In 2011, the Chamber sold their building and the Board of Directors approved the establishment of a board designated fund. The purpose of the fund is to segregate \$400,000 from the sale. There is no legal restriction requiring this, however it does require that the use of the funds will be decided by the Board of Directors. These funds were placed into separate checking accounts and the balance in these checking accounts as of December 31, 2020 were \$408,045.

Donor Restricted – The Chamber of Southwest Louisiana

The Chamber of Southwest Louisiana has \$112,488 in donor restricted net assets as of December 31, 2020 for the I-10 Bridge Task Force (Build Our Bridge). These net assets are to be used to promote and pursue any and all funding options for the construction of a new I-10 Bridge in Calcasieu Parish.

Donor Restricted - Southwest Louisiana Alliance Foundation, Inc.

The Foundation of Southwest Louisiana Alliance Foundation, Inc. has \$225,013 in donor restricted net assets as of December 31, 2020 for the following purposes:

<u>Program/Purpose</u>	<u>Amount</u>
Hurricane Recovery	\$153,000
Leader in Me Education Program	13,564
Business Incubator Pitch Competition	41,670
ALCOA Grant Funds	104
Golf Tournament Sponsors	9,375
Phillips 66 Grant Funds	7,300
Total Donor Restricted Net Assets	<u>\$225,013</u>

Donor Restricted – Southwest Louisiana Partnership for Economic Development, Inc.

The Southwest Louisiana Partnership for Economic Development, Inc. has \$51,453 in donor restricted net assets as of December 31, 2020 for the Site Certification Program. These net assets are to be used for Industrial Site Analyses and Site Certifications with the Louisiana Department of Economic Development.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2020

NOTE D PROGRAM SERVICES

Activity for the Organizations' major program activities for the year ending December 31, 2020 is as follows:

<u>Program/Event</u>	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net Activity</u>
Chamber Monthly Events	\$4,120	\$3,927	\$193
Business after Hours	2,047	718	1,329
Public Policy	-	94,319	(94,319)
Build Our Bridge	25,000	22,809	2,191
Small Business Expo	9,600	1,865	7,735
Annual Golf Tournament	12,175	675	11,500
LegisGator Luncheon	31,040	1,658	29,382
Women's Business Network	2,140	814	1,326
Chamber Day	5,500	-	5,500
Annual Banquet	107,920	114,211	(6,291)
Leadership	29,900	18,729	11,171
Workforce Development	-	14,362	(14,362)
Business Incubator	10,863	29,315	(18,452)
Leader In Me	-	20,000	(20,000)
Site Certification Program	38,038	87,556	(49,518)
Hurricane Recovery	318,231	165,231	153,000
Economic Development	59,548	129,772	(70,224)
Management Fees	17,513	-	17,513
	<u>\$673,635</u>	<u>\$705,961</u>	<u>\$(32,326)</u>

NOTE E LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash and cash equivalents	\$1,603,876
Certificates of deposit maturing within one year	101,000
Restricted cash	<u>555,179</u>
Financial assets at year-end	2,260,055
Less those unavailable for general expenditures within one year due to:	
Board-designated funds	(408,045)
Donor-restricted for educational programs	(13,564)
Donor-restricted for future projects	(41,670)
Donor-restricted for specific programs	<u>(333,720)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$1,763,056</u>

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2020

NOTE F CERTIFICATES OF DEPOSIT

As of December 31, 2020 the Organization had one certificate of deposit yielding .2%. This certificate matures in January 2021. This certificate is held in a brokerage account and is federally insured. The fair value of the certificate of deposit approximates carrying value because of the short-term maturity of the certificate.

NOTE G – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash accounts in commercial banks. Cash is secured by FDIC insurance up to \$250,000 at each financial institution. As of December 31, 2020, cash in the amount of \$35,000 exceeded FDIC coverage and therefore was uninsured.

The Organization receives a substantial amount of its support from governmental agencies, the SWLA on the Move campaign, and membership dues from entities located in the Southwest Louisiana area. A significant reduction in this support, if it were to occur, would affect the Chamber's programs and activities.

NOTE H – RETIREMENT PLAN

During the year ended December 31, 2020 the Organization made available to eligible employees the opportunity to participate in a defined contribution retirement plan. The Organization matches employee contributions up to 5% of employee compensation. Retirement expense for the year ended December 31, 2020 was \$24,508.

NOTE I – PRIOR PERIOD INFORMATION

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting. Accordingly, such information should be read in conjunction with the Chamber's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

NOTE J DEFERRED PAYROLL PROTECTION PLAN GRANT PAYABLE

On April 29, 2020, the Organization received a loan in the amount of \$118,260 under the Payroll Protection Program as part of the relief efforts related to COVID-19 and administered by the U.S. Small Business Association. The loan accrues interest at a fixed rate of 1.0%, but payments are not required to begin for twelve months after the funding of the loan. The Organization is eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements and spending the proceeds on qualifying expenditures. The loan becomes a government grant delivered in the form of a forgivable loan. The Organization spent the entire amount on qualifying expenditures as of December 31, 2020 and recognized the corresponding grant income. The full loan was forgiven by the U.S. Small Business Association on June 3, 2021.

The Chamber of Southwest Louisiana
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2020

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 27, 2021, the date when the financial statements were available to be issued.

**The Chamber of Southwest Louisiana
COMBINING STATEMENTS OF ASSETS,
LIABILITIES, AND NET ASSETS - CASH BASIS
December 31, 2020**

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Southwest LA Partnership for Economic Development, Inc.	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$ 497,390	\$ 1,056,845	\$ 49,641	\$ -	\$ 1,603,876
Certificates of deposit	-	101,000	-	-	101,000
Restricted cash	520,532	34,647	-	-	555,179
Due from affiliates					
Southwest LA Alliance Foundation, Inc.	399,261	-	-	(399,261)	-
Southwest LA Partnership for Economic Development, Inc.	24,063	18,429	-	(42,492)	-
Property and equipment					
Furniture, fixtures, and equipment	57,708	353,187	12,140	-	423,035
Accumulated depreciation	(54,959)	(334,397)	(12,140)	-	(401,496)
	<u>2,749</u>	<u>18,790</u>	<u>-</u>	<u>-</u>	<u>21,539</u>
TOTAL ASSETS	<u>\$ 1,443,995</u>	<u>\$ 1,229,711</u>	<u>\$ 49,641</u>	<u>\$ (441,753)</u>	<u>\$ 2,281,594</u>
LIABILITIES					
Payroll liabilities	\$ 7,984	\$ -	\$ -	\$ -	\$ 7,984
Due to affiliates					
Southwest LA Alliance Foundation, Inc.	-	-	18,429	(18,429)	-
The Chamber of Southwest LA	<u>-</u>	<u>399,261</u>	<u>24,063</u>	<u>(423,324)</u>	<u>-</u>
Total Liabilities	7,984	399,261	42,492	(441,753)	7,984
NET ASSETS (DEFICIT)					
Without donor restrictions	1,323,523	605,437	(44,304)	-	1,884,656
With donor restrictions	<u>112,488</u>	<u>225,013</u>	<u>51,453</u>	<u>-</u>	<u>388,954</u>
Total Net Assets	<u>1,436,011</u>	<u>830,450</u>	<u>7,149</u>	<u>-</u>	<u>2,273,610</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,443,995</u>	<u>\$ 1,229,711</u>	<u>\$ 49,641</u>	<u>\$ (441,753)</u>	<u>\$ 2,281,594</u>

See Independent Auditors' Report

**The Chamber of Southwest Louisiana
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND OTHER CHANGES IN NET ASSETS - CASH BASIS
For the year ended December 31, 2020**

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Southwest LA Partnership for Economic Development, Inc.	Eliminations	Total
REVENUES					
Membership dues	\$ 650,053	\$ -	\$ -	\$ -	\$ 650,053
SWLA on the Move campaign	-	788,014	-	-	788,014
Programs	217,115	418,481	38,039	-	673,635
Rental income	-	98,367	-	-	98,367
Payroll Protection Plan Grant Income	-	118,260	-	-	118,260
Grants	-	-	177,322	-	177,322
Interest income	2,322	2,189	-	-	4,511
Total revenues	<u>869,490</u>	<u>1,425,311</u>	<u>215,361</u>	-	<u>2,510,162</u>
EXPENSES					
Total expenses	<u>898,690</u>	<u>1,057,529</u>	<u>256,686</u>	-	<u>2,212,905</u>
Change in net assets	(29,200)	367,782	(41,325)	-	297,257
Net assets at beginning of year - Cash Basis	<u>1,465,211</u>	<u>462,668</u>	<u>48,474</u>	-	<u>1,976,353</u>
Net assets at end of year - Cash Basis	<u>\$ 1,436,011</u>	<u>\$ 830,450</u>	<u>\$ 7,149</u>	<u>\$ -</u>	<u>\$ 2,273,610</u>

See Independent Auditors' Report

The Chamber of Southwest Louisiana
COMBINING STATEMENTS OF EXPENSES - CASH BASIS
For the year ended December 31, 2020

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Southwest LA Partnership for Economic Development, Inc.	Eliminations	Total
Advertising	\$ 51,501	\$ 10,000	\$ -	\$ -	\$ 61,501
Auto	14,040	1,640	-	-	15,680
Depreciation	1,253	14,056	-	-	15,309
Dues and subscriptions	10,528	4,043	-	-	14,571
Employee training	1,655	1,703	-	-	3,358
Employee benefits	70,166	45,848	-	-	116,014
Insurance	8,511	5,620	-	-	14,131
Interest	-	37	-	-	37
Office	56,645	26,474	764	-	83,883
Outside service	150	5,100	-	-	5,250
Payroll taxes	25,647	35,410	-	-	61,057
Professional fees	11,350	12,350	-	-	23,700
Program expenses (Note D)	249,642	267,772	188,547	-	705,961
Rent	21,788	77,010	-	-	98,798
Salaries	365,126	543,730	67,375	-	976,231
Travel	1,855	107	-	-	1,962
Telephone	8,833	6,629	-	-	15,462
	<u>\$ 898,690</u>	<u>\$ 1,057,529</u>	<u>\$ 256,686</u>	<u>\$ -</u>	<u>\$ 2,212,905</u>

See Independent Auditors' Report

The Chamber of Southwest Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the Year ended December 31, 2020

AGENCY HEAD NAME: George Swift, Executive Director

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$153,058
Benefits	
Insurance	9,345
Car Allowance	7,200
Fuel Purchases	993
Conference Travel	<u>3,497</u>
TOTAL	<u><u>\$174,093</u></u>

INDEPENDENT AUDITORS' 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*

To the Boards of Directors
Chamber of Southwest Louisiana
Southwest Louisiana Partnership for Economic Development
Southwest Louisiana Alliance Foundation, Inc.
Lake Charles, Louisiana

We have audited, 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, the combined financial statements of the Chamber of Southwest Louisiana, the Southwest Louisiana Partnership for Economic Development, and the Southwest Louisiana Alliance Foundation, Inc. (the Chamber) (nonprofit organizations), which comprise of the combined statement of assets, liabilities, and net assets - cash basis as of December 31, 2020, and the related combined statement of revenue, expenses, and other changes in net assets – cash basis and combined statement of functional expenses – cash basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated September 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Chamber's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control. Accordingly, we do not express an opinion of the effectiveness of the Chamber'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.

Our 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chamber's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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.

A handwritten signature in cursive script that reads "Stulb & Associates".

Lake Charles, Louisiana
September 27, 2021

Chamber of Southwest Louisiana
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Section I – Summary of Auditors’ Results
December 31, 2020

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? ___yes _X_no

- Significant deficiency(ies) identified that are
not considered to be material weaknesses? ___yes _X_ None Reported

- Noncompliance material to financial
statements noted? ___yes _X_no

Section II – Financial Statement Findings

Current Audit

There were no findings or questioned costs.

Prior Audit

There were no findings or questioned costs.

The Board of Directors
Chamber of Southwest Louisiana
Southwest Louisiana Partnership for Economic Development
Southwest Louisiana Alliance Foundation, Inc.
Lake Charles, Louisiana

In planning and performing our audit of the financial statements of The Chamber of Southwest Louisiana, the Southwest LA Alliance Foundation, Inc., and the Southwest LA Partnership for Economic Development (the Chamber) for the year ended December 31, 2020; we considered its internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. This letter does not affect our report dated September 27, 2021.

Time Study for Cost Allocation

The Organization allocates payroll costs between related entities based on management's estimate of time and effort. We recommend the Organization conduct a time study at least every three years or sooner if significant or program changes have occurred to aid in the allocation of payroll costs.

Personnel Files

The Organization maintains an approved annual pay rate schedule by employee. The approved annual increase or decrease for each employee is documented in their corresponding personnel files, however the approved annual total compensation is not documented in each corresponding personnel file. We recommend the Organization include the approved annual total compensation in addition to the approved annual increase or decrease in each corresponding personnel file.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of management and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Stulb & Associates". The signature is written in black ink and is positioned above the typed name and date.

Lake Charles, Louisiana
September 27, 2021



2020 Audit Management Response

Time Study for Cost Allocation: The Organization allocates payroll costs between related entities based on management's estimate of time and effort. **The Organization's Management currently conducts an annual review of payroll costs as it is related to the entities and will conduct a time study at least every three years or sooner if significant or program changes have occurred to aid in the allocation of payroll costs.**

Personnel Files: The Organization maintains an approved annual pay rate schedule by employee. The annual approved annual increase or decrease for each employee is documented in their corresponding personnel files however the approved annual total compensation is not documented in each corresponding personnel file. **The Organization will include the approved annual total compensation in addition to the approved annual increase or decrease in each corresponding personnel file.**

A handwritten signature in black ink, appearing to be "M. Adams", written over a horizontal line.

President/CEO

A handwritten signature in black ink, appearing to be "R. D. Derville", written over a horizontal line.

Executive Vice President

