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AUDIT OF THE FINANCIAL STATEMENTS OF
SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
FOR THE TWO YEARS ENDED SEPTEMBER 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 14 2000

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-11
Supplementary Information:	
Schedule of Functional Expenses	12
Additional Reports:	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	13-14
Schedule of Compliance and Internal Control over Financial Reporting.	15-17
Schedule of Prior Audit Findings (Unaudited)	18



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
southwest Louisiana Independence Center, Inc.
Lake Charles, Louisiana

We have audited the accompanying statement of financial position of Southwest Louisiana Independence Center, Inc. (a non profit organization) as of September 30, 1999, and the related statements of activities and cash flows for the two years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note 8, the Center discovered an alleged embezzlement of funds by a previous employee and possible unauthorized pay increase by another previous employee. Due to the nature of the alleged embezzlement and possible unauthorized pay increase and the time constraints on our audit, we were unable to satisfy ourselves to the extent of the alleged embezzlement and possible unauthorized pay increase or any other similar items.

In our opinion, except for the effects of such adjustments which might be determined to be needed as a result of further investigation into the items described in the above paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Southwest Louisiana Independence Center, Inc. as of September 30, 1999, and the changes in its net assets and its cash flows for the two years then ended in conformity with generally accepted accounting principles.

As discussed in Note 6, the Center changed its method of accounting for compensated absences during the year ended September 30, 1999.

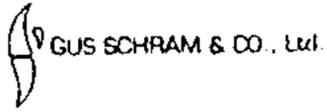
In accordance with Government Auditing Standards, we have also issued a report dated June 12, 2000 on our consideration of the Southwest Louisiana Independence Center, Inc.'s internal control and a report dated June 12, 2000 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses, listed as supplementary information in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Am Schran & Co. Ltd

June 12, 2000

Southwest Louisiana Independence Center, Inc.



Statement of Financial Position

September 30, 1999

Assets

Current Assets

Cash and Cash Equivalents	\$	11,339
Grants Receivable (Note 4)		57,854
Insurance Reimbursement Receivable (Note 8)		2,496
Other Current Assets		<u>4,305</u>

Total Current Assets 75,994

Property and Equipment, Net (Note 2) 35,423

Other Assets

Deposits		<u>3,325</u>
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Total Assets \$ 114,742

Liabilities and Net Assets

Current Liabilities

Current Portion of Notes Payable (Note 5)	\$	12,226
Accounts Payable		7,568
Accrued Expenses		31,333
Accrued Compensated Leave (Note 1)		1,564
Deferred Revenue (Note 4)		21,658
Legal Claim Liability (Note 8)		<u>14,972</u>

Total Current Liabilities 89,321

Long Term Liabilities

Lease Liability		<u>11,505</u>
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Total Liabilities 100,826

Net Assets

Unrestricted		
Operating		<u>12,035</u>

Total Unrestricted Assets 12,035

Temporarily Restricted (Note 3)		<u>1,881</u>
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Total Net Assets 13,916

Total Liabilities and Net Assets \$ 114,742

See Accompanying Notes to the Financial Statements



Southwest Louisiana Independence Center, Inc.

Statement of Activities

For the Two Years Ended September 30, 1999

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support			
Medicaid Waiver Program	\$ 1,151,407	\$ -	1,151,407
Federal and State Grants	468,576	-	468,576
Special Events and Other	22,417	1,125	23,542
Net Assets Released from Donor Restrictions	<u>164</u>	<u>(164)</u>	<u>-</u>
Total Support	1,642,564	961	1,643,525
Expenses			
Program Expenses	1,645,565	270	1,645,835
Supporting Services			
Management and General	<u>25,790</u>	<u>-</u>	<u>25,790</u>
Total Expenses	<u>1,671,355</u>	<u>270</u>	<u>1,671,625</u>
Change in Net Assets	(28,791)	691	(28,100)
Net Assets, October 1, 1997	43,973	1,190	45,163
Prior Period Adjustment (Note 5)	<u>(3,147)</u>	<u>-</u>	<u>(3,147)</u>
Net Assets, September 30, 1999	\$ <u>12,035</u>	\$ <u>1,881</u>	<u>13,916</u>

See Accompanying Notes to the Financial Statements



Southwest Louisiana Independence Center, Inc.

Statement of Cash Flows

For the Two Years Ended September 30, 1999

Cash flows from operating activities

Change in Net Assets		\$	(28,100)
Adjustments to reconcile change in net assets to net cash from operating activities:			
Depreciation expense	\$	23,387	
Loss on Disposal of Assets		664	
Decrease (Increase) in operating assets			
Grants receivable		(9,211)	
Miscellaneous assets		(4,706)	
Increase (Decrease) in operating liabilities			
Accounts payable and accrued expenses		2,602	
Legal claim liability		(34,065)	
Deferred revenue		21,658	
Prior Period Adjustment		<u>(3,147)</u>	
Total adjustments			<u>(2,818)</u>
Net cash provided by operating activities			(30,918)

Cash flows from investing activities

Purchase of property and equipment		<u>(22,495)</u>	
Net cash used by investing activities			(22,495)

Cash flows from financing activities

Proceeds from loans		25,706	
Principal payments on loans		<u>(1,974)</u>	
Net cash provided by financing activities			<u>23,732</u>
Net decrease in cash			(29,681)

Cash

September 30, 1997			<u>41,020</u>
September 30, 1999		\$	<u><u>11,339</u></u>

Supplemental Disclosure:
Interest expense in the amount of \$3,221 was paid during the fiscal year.

See Accompanying Notes to the Financial Statements

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements
September 30, 1999

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 from Louisiana income taxes. Therefore, no provision has been made for federal or state income taxes in the accompanying financial statements.

Basis of Accounting

The accompanying financial statements of Southwest Louisiana Independence Center, Inc. have been prepared on the accrual basis of accounting.

Grant, miscellaneous contributions of cash and other assets are reported as unrestricted support unless donor stipulations are not removed during the fiscal year.

Cash and Cash Equivalents

The Center had deposits of \$24,851 at September 30, 1999 and a carrying value of \$11,339 which includes \$134 in petty cash. These balances were entirely covered by federal depository insurance.

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.

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.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
 Notes to Financial Statements
 September 30, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Furniture and equipment are being depreciated over estimated useful lives of five to ten years. The straight-line method of depreciation is being utilized.

Compensated Absences

The Center has a contingent liability in the amount of \$1,564 at September 30, 1999 for unused vacation and earned time off. In prior years, the Center choose not to accrue compensated absences. This was changed as of September 30, 1999. A prior period adjustment was recorded to reflect this change (See Note 6). Sick leave is not vested, therefore no accrual is reflected in the financial statements.

Prepaid Insurance

The Center has purchased insurance for general liability and worker's compensation insurance. The Center has recorded prepaid insurance for the portion of insurance coverage that extends in the next fiscal year.

Retirement Benefits

The Center does not provide retirement benefits. Employees participate in the Social Security system. The Center is not responsible for any post-employment benefits. The Center has only the usual obligation to make current matching payments to the Social Security system for active employees.

NOTE 2: PROPERTY AND EQUIPMENT

The following is a summary of furniture, equipment, and property as of September 30, 1999:

Furniture and Equipment, October 1, 1997	\$	106,695
Additions for the Two Years Ended September 30, 1999		22,495
Deletions for the Two Years Ended September 30, 1999		<u>(11,452)</u>
Furniture and Equipment, September 30, 1999	\$	<u>117,738</u> **
Accumulated Depreciation, October 1, 1997	\$	69,716
Depreciation for the Two Years Ended September 30, 1999		23,387
Deletions for the Two Years Ended September 30, 1999		<u>(10,788)</u>
Accumulated Depreciation, September 30, 1999	\$	<u>82,315</u>
Net Book Value, September 30, 1999	\$	<u>35,423</u>

** - Includes \$16,173 of leased equipment.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
 Notes to Financial Statements
 September 30, 1999

NOTE 2: PROPERTY AND EQUIPMENT (cont)

Depreciation expense for the two years ended September 30, 1999 was \$23,387.

NOTE 3: TEMPORARILY RESTRICTED NET ASSETS

As of September 30, 1999, there existed the following temporarily restricted net assets. Temporarily restricted net assets will be released from donor restriction by incurring expenses to satisfy the purpose specified by the donor in the future:

\$1,026 in funds from the Trustees of the H.C. Drew Estate which were not yet expended. These funds were given with the specific purpose of purchasing computer equipment.

\$855 in funds from Acadiana Arts Council which were not yet expended. The funds were given in the current years with the specific purpose of providing activities for the Center's clients.

NOTE 4: GRANTS RECEIVABLE/DEFERRED REVENUE

Grants receivable at September 30, 1999 consisted of reimbursements for expenses incurred in the following programs:

<u>Program</u>	<u>Amount</u>
Title VIIB	\$ 1,748
State Personal Care Attendant Contract	4,724
State Independent Living Contract	12,807
State Medicaid Contract Services	33,868
State Interpreter Services	<u>4,707</u>
Total Receivable	<u>\$ 57,854</u>

The Center has also recorded deferred revenue from the following programs for advances of fiscal year ending September 30, 2000 grant funds:

<u>Program</u>	<u>Amount</u>
State Personal Care Attendant Contract	\$ 2,225
State Independent Living Contract	10,960
Title VIIC	<u>8,473</u>
Total Deferred Revenue	<u>\$ 21,658</u>

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements
September 30, 1999

NOTE 5: LONG-TERM NOTES PAYABLE

Long-term notes payable at September 30, 1999 consists of the following:

Copier lease payable to Ikon Office Solutions, \$377 per month including interest at 14.09% secured by copier. Matures November 28, 2003 (Short term portion at September 30, 1999 was \$2,693).	\$ 14,199
Revolving line of credit with Cameron State Bank, credit line of \$10,000, variable interest rate, 16.90% as of September 30, 1999 (Unsecured).	<u>9,533</u>
Long-term Notes Payable	<u>\$ 23,732</u>

Maturities of long-term debt for the next five years is as follows:

Fiscal year ending September 30,	2000	\$ 12,226
	2001	3,099
	2002	3,565
	2003	4,101
	2004	<u>741</u>
Long-term Notes Payable		<u>\$ 23,732</u>

NOTE 6: PRIOR PERIOD ADJUSTMENTS

The Center has made an adjustment to Net Assets at October 1, 1997 of \$3,147 in order to correctly accrue the compensated absences as required by generally accepted accounting principles. Beginning net assets were decreased for this adjustment.

NOTE 7: OPERATING LEASE

Operating Leases

The Center currently leases office space for both the Lake Charles and the Lafayette offices. The current lease agreement for the Lake Charles site is for a thirty-six month period beginning July 1, 1997 with a monthly fee of \$2,100.

The Lafayette, LA office facilities are being leased for a monthly fee of \$1,298. On August 12, 1995, the lease agreement was amended to reflect the term of the lease on a month to month basis. Effective September 1, 1999, the lease agreement was amended to decrease the monthly rent to \$887.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements
September 30, 1999

NOTE 7: OPERATING LEASE(cont)

The Center has recorded prepaid rent of \$2,987 in the financial statements for October 1999 rent paid in advance.

Total rent expense reflected in these financial statements for the two years ended September 30, 1999 was \$81,141.

NOTE 8: CONTINGENCIES/SUBSEQUENT EVENT

Litigation initiated by former employees in 1988 for back wages has resulted in a judgment in the amount of \$26,050 plus interest of \$22,987. The Center had previously appealed the judgment; However, in November, 1997 this amount was levied and withdrawn from the Center's bank account in the amount of \$34,065. The remaining balance of \$14,972 has not been paid and a demand for payment has not been made. \$14,972 has been recorded as liability in these financial statements as a legal claim liability.

The Center is not involved in any litigation at September 30, 1999 and, with the exception of defending the above lawsuit, did not consult with an attorney during the current two years ended September 30, 1999.

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, 1999.

Subsequent to year end, the Center discovered an alleged embezzlement by a former employee in the amount of \$11,366. Of this amount, \$2,496 was allegedly embezzled during the two years ended September 30, 1999 and \$8,870 was allegedly embezzled subsequent to year end. The Center received a reimbursement of \$11,116 from its insurance company. The reimbursement for the two years ended September 30, 1999 of \$2,496 is reflected as receivable on the financial statements.

Subsequent to year end, the Center discovered the possible unauthorized pay increase by a former employee. As of the issuance of these statements, the amount of the possible unauthorized pay increase could not be determined.

NOTE 9: DONATED ASSETS AND SERVICES

Donated assets in the amount of \$2,400 was recorded as in-kind contribution income and fixed assets during the two years ended September 30, 1999.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
Notes to Financial Statements
September 30, 1999

NOTE 10: 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.

NOTE 11: 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.

Southwest Louisiana Independence Center, Inc.



Schedule of Funtional Expenses

For the Two Years Ended September 30, 1999

	<u>Program Services</u>	<u>Supporting Services Management & General</u>	<u>Total</u>
Advertising	\$ 5,139	\$ -	\$ 5,139
Audit Expense	8,357	-	8,357
Bank Service Charges	12,243	-	12,243
Depreciation	-	23,387	23,387
Direct Client Services	7,215	-	7,215
Dues and Subscriptions	3,262	-	3,262
Education and Training	12,999	-	12,999
Equipment Purchase - Client	9,715	-	9,715
Housekeeping	2,783	-	2,783
Insurance	32,445	-	32,445
Interest Expense	3,221	-	3,221
Loss on Disposal of Asset	-	664	664
Miscellaneous	-	1,739	1,739
Payroll Taxes/Fringe Expense	122,430	-	122,430
Postage	11,773	-	11,773
Purchased Services	79,117	-	79,117
Rent	81,141	-	81,141
Repairs and Maintenance	15,204	-	15,204
Salaries	1,084,510	-	1,084,510
Supplies	37,845	-	37,845
Telephone	26,111	-	26,111
Travel	82,591	-	82,591
Utilities	7,734	-	7,734
	<u> </u>	<u> </u>	<u> </u>
Total Expenses by Function	\$ <u>1,645,835</u>	\$ <u>25,790</u>	\$ <u>1,671,625</u>



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Board of Directors
Southwest Louisiana Independence Center, Inc.
Lake Charles, Louisiana

We have audited the financial statements of the Southwest Louisiana Independence Center, Inc., as of and for the two years ended September 30, 1999, and have issued our report thereon dated June 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable about whether the Center's financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to reported under Government Auditing Standards and which are described in the accompanying Schedule of Compliance and Internal Control as items CG-99-1 and CG-99-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Center's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Compliance and Internal Control as Item ICG-99-1 and ICG-99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be

- American Institute of Certified Public Accountants
- Private Companies Practice Section (AICPA)
- Society of Louisiana Certified Public Accountants

detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable conditions described above to be material weaknesses.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Del Schram & Co, LLP

June 12, 2000

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC
SCHEDULE OF COMPLIANCE AND INTERNAL
CONTROL OVER FINANCIAL REPORTING
FOR THE TWO YEARS ENDED SEPTEMBER 30, 1999

I COMPLIANCE FINDINGS - GOVERNMENTAL AUDITING STANDARDS (CG)

(CG-99-1) Documentation of Minutes of the Board of Directors

Finding: We were not able to locate the minutes of the meetings of the Board of Directors for four months during the year. We also noted that none of the minutes were signed.

Criteria: The Center is required to maintain documentation of the minutes of their Board of Directors' meetings.

Cause: The Center has had a recent turnover of personnel and Board of Directors. It is unclear what happened to the missing minutes.

Effect: There exists possible of not having the required approval for certain transactions.

Recommendation: We recommend that the Center ensure that their files contain proper documentation regarding the meetings held by the Board of Directors.

Management's Response: All documentation regarding Board of Directors minutes shall be signed and maintained in a proper and professional manner in order to be reviewed at any given time.

(CG-99-2) Timeliness of Audit Report

Finding: State law requires that the audit report for quasi-public entities be completed within six months of the year end. This audit report was not issued within the prescribed time frame.

Criteria: State law establishes the above six months time frame.

Cause: Due to turnover of personnel and the investigation of a previous employee, the Center did not have the time to pull information required for the external financial audit, therefore, delaying the auditors' ability to commence their work.

Effect: The Center was not in compliance with the above state requirement.

Recommendation: We recommend that the Center continue their efforts in the area of financial reporting to include compliance with the state audit requirement. The auditor should be engaged before the fiscal year ends.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC
SCHEDULE OF COMPLIANCE AND INTERNAL
CONTROL OVER FINANCIAL REPORTING
FOR THE TWO YEARS ENDED SEPTEMBER 30, 1999

Management's Response: SLIC shall make all efforts to comply with state requirements when engaging with auditors pertaining to financial audit reporting.

II INTERNAL CONTROL FINDINGS - GOVERNMENTAL AUDITING STANDARDS (ICG)

(ICG-99-1) Lack of Segregation of Duties

Finding: There appears to be a lack of segregation of duties with respect to the accounting functions of the Center. This is apparent due to the fact that the Center discovered an alleged embezzlement by a previous employee and a possible unauthorized pay increase by another employee. Due to the turnover of personnel and the current changes being made by the current Executive Director, we only performed a preliminary review internal control in order to obtain an understanding of the flow of transactions through the accounting system. Because of the lack of segregation of duties that is inherent to a small staff, our evaluation did not extend beyond this preliminary review stage.

Cause: Due to the size of the staff, it is not always feasible to segregate duties.

Effect: The possibility of unauthorized transactions being processed exists.

Recommendation: We recommend that the Center's management and board perform independent review of the items processed through the accounting system in order to strengthen internal controls.

Management Response: The Executive Director, in conjunction with the Board of Directors, has begun and will continue to implement procedures to strengthen internal controls concerning accounting functions.

(ICG-99-2) Adequacy of Accounting Records

Findings: During the course of our fixed assets, accrued salaries and expenditures testing, we found instances where the supporting documentation could not be located. We also noted some instances of the documentation not having the proper approval.

Criteria: Proper documentation is required to support all transactions that occur.

Effect: The possibility of unauthorized transactions being processed exists.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC
SCHEDULE OF COMPLIANCE
AND INTERNAL
CONTROL OVER FINANCIAL REPORTING
FOR THE TWO YEARS ENDED SEPTEMBER 30, 1999

Cause: The Center has had a recent turnover of personnel. It is unclear what happened to the missing documents.

Recommendation: We recommend that the Center continue their efforts in the area of financial reporting to include maintaining all necessary supporting documentation.

Management Response: Financial reporting will include supporting documentation and shall be maintained as stated in the SLIC policies and procedures.

SOUTHWEST LOUISIANA INDEPENDENCE CENTER, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS (UNAUDITED)
FOR THE TWO YEARS ENDED SEPTEMBER 30, 1999

INTERNAL CONTROL - GOVERNMENTAL AUDITING STANDARDS

1. Lack of Segregation of Duties

Finding: The Center did not maintain adequate internal controls.

Planned Corrective Action: Items will be reviewed at the monthly board meeting and approved in the minutes.

Corrective Action Taken: This is an ongoing finding. The Center had a recent turnover and is currently reviewing its internal control procedures to determine how to improve them.

2. Lack of Approvals on Disbursements Documentation

Finding: The Center did not have adequate approval on its disbursements necessary to overcome its lack of segregation of duties.

Planned Corrective Action: Every effort will be made to obtain necessary approvals.

Corrective Action Taken: This is being addressed with the current year finding concerning adequacy of accounting records. The Center had a recent turnover and is currently reviewing its internal control procedures to determine how to improve them.