

Chamber of Southwest Louisiana

COMBINED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

December 31, 2021

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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

### Opinion

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, 2021, 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.

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, 2021, 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 for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Chamber of Southwest Louisiana, the Southwest Louisiana Partnership for Economic Development, and the Southwest Louisiana Alliance Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

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 supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Basis of Accounting**

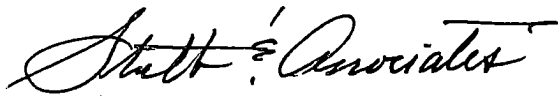
We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion 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 June 23, 2022, 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.

## Report on Summarized Comparative Information

We have previously audited the Chamber's 2020 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated September 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Lake Charles, Louisiana  
June 23, 2022

**The Chamber of Southwest Louisiana  
 COMBINED STATEMENTS OF ASSETS,  
 LIABILITIES, AND NET ASSETS - CASH BASIS  
 December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,118,188	\$ 1,603,876
Certificates of deposit	-	101,000
Restricted cash	<u>517,786</u>	<u>555,179</u>
<b>Total Current Assets</b>	<b>2,635,974</b>	<b>2,260,055</b>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture, fixtures, and equipment	428,297	423,035
Accumulated depreciation	<u>(407,263)</u>	<u>(401,496)</u>
<b>Net Property and Equipment</b>	<b><u>21,034</u></b>	<b><u>21,539</u></b>
 <b>TOTAL ASSETS</b>	 <b><u>\$ 2,657,008</u></b>	 <b><u>\$ 2,281,594</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payroll Liabilities	<u>\$ 19,625</u>	<u>\$ 7,984</u>
<b>Total Current Liabilities</b>	<b>19,625</b>	<b>7,984</b>
 <b>NET ASSETS</b>		
Without donor restrictions	2,445,699	1,884,656
With donor restrictions	<u>191,684</u>	<u>388,954</u>
<b>Total Net Assets</b>	<b><u>2,637,383</u></b>	<b><u>2,273,610</u></b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 2,657,008</u></b>	 <b><u>\$ 2,281,594</u></b>

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, 2021 and 2020**

	<u>2021</u>			<u>2020</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>
<b>Revenue, Support, and Gains</b>						
Membership dues	\$ 772,418	\$ -	\$ 772,418	\$ 650,053	\$ -	\$ 650,053
SWLA on the Move Campaign	629,889	-	629,889	788,014	-	788,014
Programs	409,233	161,500	570,733	473,222	200,413	673,635
Rental Income	153,029	-	153,029	98,367	-	98,367
Payroll Protection Plan Grant Income	214,982	-	214,982	118,260	-	118,260
Grants	413,575	10,000	423,575	177,322	-	177,322
Interest income	2,324	-	2,324	4,511	-	4,511
<b>Total Revenue and Gains</b>	<u>2,595,450</u>	<u>171,500</u>	<u>2,766,950</u>	<u>2,309,749</u>	<u>200,413</u>	<u>2,510,162</u>
Net Assets Released from Restrictions	368,770	(368,770)	-	90,238	(90,238)	-
<b>Total Revenue, Support, and Gains</b>	<u>2,964,220</u>	<u>(197,270)</u>	<u>2,766,950</u>	<u>2,399,987</u>	<u>110,175</u>	<u>2,510,162</u>
<b>Expenses</b>						
Program service	2,207,213	-	2,207,213	2,032,204	-	2,032,204
Management and general	157,220	-	157,220	146,025	-	146,025
Fundraising	38,744	-	38,744	34,676	-	34,676
<b>Total Expenses</b>	<u>2,403,177</u>	<u>-</u>	<u>2,403,177</u>	<u>2,212,905</u>	<u>-</u>	<u>2,212,905</u>
<b>Increase (Decrease) in Net Assets</b>	<u>561,043</u>	<u>(197,270)</u>	<u>363,773</u>	<u>187,082</u>	<u>110,175</u>	<u>297,257</u>
<b>Net Assets at Beginning of Year</b>	<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>
<b>Net Assets at End of Year</b>	<u>\$ 2,445,699</u>	<u>\$ 191,684</u>	<u>\$ 2,637,383</u>	<u>\$ 1,884,656</u>	<u>\$ 388,954</u>	<u>\$ 2,273,610</u>

See notes to the combined financial statements



**The Chamber of Southwest Louisiana**  
**COMBINED STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>				<b>2020</b>			
	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
<b>Advertising</b>	\$ 70,228	\$ -	\$ -	\$ 70,228	61,501	-	-	\$ 61,501
<b>Auto</b>	15,719	1,746	-	17,465	14,112	1,568	-	15,680
<b>Depreciation</b>	5,190	577	-	5,767	13,778	1,531	-	15,309
<b>Dues and subscriptions</b>	18,153	-	-	18,153	14,571	-	-	14,571
<b>Employee training</b>	826	92	-	918	3,022	336	-	3,358
<b>Employee benefits</b>	108,707	15,453	4,387	128,547	99,912	12,614	3,488	116,014
<b>Insurance</b>	3,718	413	-	4,131	12,718	1,413	-	14,131
<b>Interest</b>	-	-	-	-	37	-	-	37
<b>Office</b>	93,870	10,430	-	104,300	75,495	8,388	-	83,883
<b>Outside service</b>	975	-	-	975	5,250	-	-	5,250
<b>Payroll taxes</b>	54,153	7,698	2,185	64,036	52,582	6,639	1,836	61,057
<b>Professional fees</b>	21,690	2,410	-	24,100	21,330	2,370	-	23,700
<b>Program expenses (Note D)</b>	872,333	-	-	872,333	705,961	-	-	705,961
<b>Rent</b>	126,362	3,476	-	129,838	95,322	3,476	-	98,798
<b>Salaries</b>	797,185	113,319	32,172	942,676	840,735	106,144	29,352	976,231
<b>Travel</b>	3,646	-	-	3,646	1,962	-	-	1,962
<b>Telephone</b>	14,458	1,606	-	16,064	13,916	1,546	-	15,462
<b>TOTAL EXPENSES</b>	<u>\$2,207,213</u>	<u>\$ 157,220</u>	<u>\$ 38,744</u>	<u>\$2,403,177</u>	<u>\$2,032,204</u>	<u>\$ 146,025</u>	<u>\$ 34,676</u>	<u>\$2,212,905</u>

See notes to the combined financial statements

The Chamber of Southwest Louisiana  
NOTES TO COMBINED FINANCIAL STATEMENTS  
December 31, 2021

**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, 2021

**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, 2021

**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. \$26,718 has been included in revenues for year ending December 31, 2021 with a corresponding charge to the applicable expense. \$11,718 of the donated program revenue is related to prizes and expenses for specific events, \$10,000 of the donated program revenue is related to operating expenses, and \$5,000 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, 2021 amounted to \$70,228.

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, 2021 was \$5,767.

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, 2021

**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, 2021 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, 2021:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$33,755
2023	33,755
2024	33,755
2025	33,755
2026	33,755
Thereafter	<u>573,835</u>
	<u>\$742,610</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, 2021 from IMCAL was \$27,500 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>
2022	\$30,000
2023	17,500
Thereafter	-
Total	<u>\$47,500</u>

The Chamber of Southwest Louisiana  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 December 31, 2021

**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 2021 in connection with this program was \$124,729. The lease agreement with McNeese State University established rental rates owed for space that is utilized for the Business Incubator Program. Rent paid in 2021 in connection with this program was \$81,801.

**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, 2021 were \$408,388.

**Donor Restricted – The Chamber of Southwest Louisiana**

The Chamber of Southwest Louisiana has \$74,736 in donor restricted net assets as of December 31, 2021 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 \$85,168 in donor restricted net assets as of December 31, 2021 for the following purposes:

<b><u>Program/Purpose</u></b>	<b><u>Amount</u></b>
Leader in Me Education Program	\$13,564
Business Incubator Pitch Competition	56,500
ALCOA Grant Funds	104
IMCAL Workforce Development Grant	10,000
Community Foundation – Emergency Assistance to Nonprofits	<u>5,000</u>
Total Donor Restricted Net Assets	<u>\$85,168</u>

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

The Southwest Louisiana Partnership for Economic Development, Inc. has \$31,780 in donor restricted net assets as of December 31, 2021 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, 2021

**NOTE D – PROGRAM SERVICES**

Activity for the Organizations’ major program activities for the year ending December 31, 2021 is as follows (cash basis activity excluding grant revenues):

<u>Program/Event</u>	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net Activity</u>
Annual Banquet	\$88,405	\$9,397	\$79,008
Build Our Bridge	-	38,008	(38,008)
Business after Hours	1,000	780	220
Business Incubator	60,233	35,270	24,963
Chamber Day	4,000	1,500	2,500
Economic Development	49,595	242,307	(192,712)
Annual Golf Tournament	49,506	28,435	21,071
Hurricane Recovery Program	105,000	255,000	(150,000)
Leadership	63,700	28,780	34,920
LegisGator Luncheon	124,525	6,046	118,479
Monthly Events	19,669	4,038	15,631
Public Policy	5,000	90,981	(85,981)
Site Certification Program	-	78,690	(78,690)
Women’s Business Network	100	-	100
COVID-19 Recovery Program	-	53,101	(53,101)
	<u>\$570,733</u>	<u>\$872,333</u>	<u>\$(301,600)</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	\$2,118,188
Restricted cash	<u>517,786</u>
Financial assets at year-end	2,635,974
Less those unavailable for general expenditures within one year due to:	
Board-designated funds	(408,388)
Donor-restricted for educational programs	(13,564)
Donor-restricted for future projects	(56,500)
Donor-restricted for specific programs	<u>(121,620)</u> <u>(191,684)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$2,035,902</u>

The Chamber of Southwest Louisiana  
NOTES TO COMBINED FINANCIAL STATEMENTS  
December 31, 2021

**NOTE F – 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, 2021, all cash balances were FDIC insured.

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 G – RETIREMENT PLAN**

During the year ended December 31, 2021 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, 2021 was \$22,918.

**NOTE H – 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, 2020, from which the summarized information was derived.

**NOTE I – PAYROLL PROTECTION PLAN GRANT INCOME**

During 2021, the Organization received loans in the amount of \$106,415 and \$108,567 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 Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements and spending the proceeds on qualifying expenditures. The loan then becomes a government grant delivered in the form of a forgivable loan. The Organization spent the entire amount on qualifying expenditures during 2021 and recognized the corresponding grant income. The loans were forgiven by the U.S. Small Business Association on October 26, 2021 (\$106,415) and November 1, 2021 (\$108,567).

**NOTE J – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 23, 2022, 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, 2021**

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Southwest LA Partnership for Economic Development, Inc.	Eliminations	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,083,042	\$ 887,677	\$ 147,469	\$ -	\$ 2,118,188
Restricted cash	483,124	34,662	-	-	517,786
Due from affiliates					
Southwest LA Alliance Foundation, Inc.	143,878	-	-	(143,878)	-
Southwest LA Partnership for Economic Development, Inc.	86,625	40,368	-	(126,993)	-
Property and equipment					
Furniture, fixtures, and equipment	57,708	358,449	12,140	-	428,297
Accumulated depreciation	(55,681)	(339,442)	(12,140)	-	(407,263)
	<u>2,027</u>	<u>19,007</u>	<u>-</u>	<u>-</u>	<u>21,034</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,798,696</u>	<u>\$ 981,714</u>	<u>\$ 147,469</u>	<u>\$ (270,871)</u>	<u>\$ 2,657,008</u>
<b>LIABILITIES</b>					
Payroll liabilities	\$ 19,625	\$ -	\$ -	\$ -	\$ 19,625
Due to affiliates					
Southwest LA Alliance Foundation, Inc.	-	-	40,368	(40,368)	-
The Chamber of Southwest LA	-	143,878	86,625	(230,503)	-
<b>Total Liabilities</b>	<u>19,625</u>	<u>143,878</u>	<u>126,993</u>	<u>(270,871)</u>	<u>19,625</u>
<b>NET ASSETS (DEFICIT)</b>					
Without donor restrictions	1,704,335	752,668	(11,304)	-	2,445,699
With donor restrictions	74,736	85,168	31,780	-	191,684
<b>Total Net Assets</b>	<u>1,779,071</u>	<u>837,836</u>	<u>20,476</u>	<u>-</u>	<u>2,637,383</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,798,696</u>	<u>\$ 981,714</u>	<u>\$ 147,469</u>	<u>\$ (270,871)</u>	<u>\$ 2,657,008</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, 2021**

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Southwest LA Partnership for Economic Development, Inc.	Eliminations	Total
<b>REVENUES</b>					
Membership dues	\$ 772,418	\$ -	\$ -	\$ -	\$ 772,418
SWLA on the Move campaign	-	629,889	-	-	629,889
Programs	317,360	253,373	-	-	570,733
Rental income	-	153,029	-	-	153,029
Payroll Protection Plan Grant Income	108,567	106,415	-	-	214,982
Grants	35,000	66,481	322,094	-	423,575
Interest income	739	1,585	-	-	2,324
Total revenues	<u>1,234,084</u>	<u>1,210,772</u>	<u>322,094</u>	<u>-</u>	<u>2,766,950</u>
<b>EXPENSES</b>					
Total expenses	<u>891,024</u>	<u>1,203,386</u>	<u>308,767</u>	<u>-</u>	<u>2,403,177</u>
Change in net assets	343,060	7,386	13,327	-	363,773
Net assets at beginning of year - Cash Basis	<u>1,436,011</u>	<u>830,450</u>	<u>7,149</u>	<u>-</u>	<u>2,273,610</u>
Net assets at end of year - Cash Basis	<u>\$ 1,779,071</u>	<u>\$ 837,836</u>	<u>\$ 20,476</u>	<u>\$ -</u>	<u>\$ 2,637,383</u>

See Independent Auditors' Report

**The Chamber of Southwest Louisiana**  
**COMBINING STATEMENTS OF EXPENSES - CASH BASIS**  
**For the year ended December 31, 2021**

	The Chamber of Southwest LA	Southwest LA Alliance Foundation, Inc.	Southwest LA Partnership for Economic Development, Inc.	Eliminations	Total
Advertising	\$ 28,498	\$ 41,730	\$ -	\$ -	\$ 70,228
Auto	16,354	1,111	-	-	17,465
Depreciation	722	5,045	-	-	5,767
Dues and subscriptions	16,096	2,057	-	-	18,153
Employee training	147	771	-	-	918
Employee benefits	85,691	42,856	-	-	128,547
Insurance	4,131	-	-	-	4,131
Office	66,548	37,752	-	-	104,300
Outside service	360	615	-	-	975
Payroll taxes	31,956	32,080	-	-	64,036
Professional fees	11,600	11,300	1,200	-	24,100
Program expenses (Note D)	216,389	410,939	245,005	-	872,333
Rent	21,788	108,050	-	-	129,838
Salaries	378,452	501,662	62,562	-	942,676
Travel	2,148	1,498	-	-	3,646
Telephone	10,144	5,920	-	-	16,064
	<u>\$ 891,024</u>	<u>\$ 1,203,386</u>	<u>\$ 308,767</u>	<u>\$ -</u>	<u>\$ 2,403,177</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, 2021

**AGENCY HEAD NAME: George Swift, Executive Director**

<b><u>PURPOSE</u></b>	<b><u>AMOUNT</u></b>
Salary	\$152,855
Benefits	
Insurance	9,345
Car Allowance	7,200
Fuel Purchases	1,418
Conference Travel	<u>1,955</u>
<b>TOTAL</b>	<b><u><u>\$172,773</u></u></b>

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, 2021, 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 June 23, 2022.

## Report on 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 or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as items 2021-1 through 2021-3.

### **Report on Compliance and Other Matters**

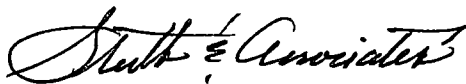
As part of obtaining reasonable assurance about whether the Chamber's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2021-4.

### **Chamber's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Chamber's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Chamber's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.



Lake Charles, Louisiana  
June 23, 2022

Chamber of Southwest Louisiana  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Section I – Summary of Auditors’ Results  
December 31, 2021

*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?              X  yes            \_\_\_ None Reported
  
- Noncompliance material to financial  
statements noted?      X  yes            \_\_\_no

Section II – Financial Statement Findings

**Current Audit**

**2021-1**

**Invoice Approval Documentation**

Criteria: The Organization’s written policies and procedures regarding cash disbursements require an approved check request or invoice.

Condition: During our audit, we discovered 3 disbursements totaling \$2,177 did not include an approved check request or invoice with the supporting detail for the cash disbursement.

Effect: The Organization paid invoices without proper documentation of approval.

Recommendation: We recommend the Organization follow the written policies and procedures by properly documenting approval of paid invoices.

Response: The Organization will ensure all cash disbursements are approved prior to payment and the supporting detail includes the necessary approval documentation.

**2021-2**

**Check Signature**

Criteria: The Organization requires two authorized signatures for checks greater than \$9,000.

Condition: During our audit, we discovered one check cleared the bank during 2021 that was in excess of \$9,000 with only one authorized signature.

Effect: Without proper authorized signatures on checks, the Organization could have unauthorized checks being disbursed.

SCHEDULE OF FINDINGS AND RESPONSES

Recommendation: In order to follow procedures in place, we recommend all checks be reviewed by an additional staff member for proper authorized signatures prior to mailing.

Response: Management believes this was an isolated instance.

**2021-3**

**Account Reconciliations**

Criteria: An adequate system of internal controls includes monthly reconciliations of all material Balance Sheet accounts.

Condition: During our audit, we discovered that the Organization was not preparing monthly reconciliations for the material Balance Sheet accounts.

Effect: Inaccurate monthly accounting information could be reported to the Board of Directors. Inaccurate annual accounting information could also be reported.

Recommendation: We recommend the Organization perform monthly reconciliations of all material Balance Sheet accounts and investigate discrepancies. The reconciliations should also be reviewed and approved by a manager or board member.

Response: The Organization will perform monthly reconciliations of all material balance sheet accounts and investigate any discrepancies. The reconciliations will also be reviewed and approved by the board treasurer.

**2021-4**

**Grant Reimbursements**

Criteria: The Organization is the recipient of several cost reimbursement grants.

Condition: During our audit, we discovered an invoice in the amount of \$5,000 appears to have been reimbursed by two separate grants.

Effect: The Organization was potentially reimbursed for the same expenditure by two separate grants and should remit payment to one of the grantees.

Recommendation: We recommend the Organization use the job cost accounting system to track all eligible grant expenditures by grant. The Organization should use reports directly from the accounting system to create and submit grant reimbursement requests. The Organization should also create invoices for each cost reimbursement request when they are submitted and reconcile the payments received to the invoices. Any discrepancies or delays in payment should be investigated.



Chamber of Southwest Louisiana  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Response: The Organization will use the job cost accounting system to track all eligible grant expenditures by each grant. The Organization will use reports directly from the accounting system to create and submit grant reimbursement requests. The Organization will also create invoices for each cost reimbursement request submitted and reconcile payments received to the invoices. Discrepancies and delays in payment will be investigated.

**Prior Audit**

There were no findings or questioned costs.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Chamber of Southwest Louisiana, the Southwest Louisiana Partnership for Economic Development Inc., and the Southwest Louisiana Alliance Foundation, Inc. (the Chamber) and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Chamber is responsible for those C/C areas identified in the SAUPs.

The Chamber has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
***We performed the procedure above and noted no exceptions.***
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.  
***We performed the procedure above and noted no exceptions.***
  - c) ***Disbursements***, including processing, reviewing, and approving.  
***We performed the procedure above and noted no exceptions.***

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*We performed the procedure above and noted no exceptions.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

*We performed the procedure above and noted the following exceptions:*

**There is no approval process for employee's rate of pay or approval and maintenance of pay rate schedules.**

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*We performed the procedure above and noted no exceptions.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*We performed the procedure above and noted no exceptions.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*We performed the procedure above and noted no exceptions.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

**The entity is a nonprofit therefore Ethics requirements are not applicable.**

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**The entity has no long term debt and does not maintain a written debt service policy.**

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*We performed the procedure above and noted no exceptions.*

- 1) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**The entity is a nonprofit therefore Sexual Harassment requirements are not applicable.**

#### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

***We performed the procedures above and noted no exceptions.***

#### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

***We performed the procedures above and noted the following exception:***

**There was no evidence that a member of management or a board member had reviewed and approved the monthly bank reconciliations.**

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

***We performed the procedures above and noted the following exception:***

**Reconciling items outstanding for more than 12 months were not researched.**

#### ***Management's response:***

***3b) Management will implement a policy whereby the bank reconciliations will be reviewed and approved by the board treasurer on a monthly basis.***

***3c) Management will research reconciling items outstanding more than 12 months.***

#### ***Collections (excluding electronic funds transfers)***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

***We performed the procedures above and noted no exceptions.***

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

***We performed the procedures above and noted no exceptions.***

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

***We performed the procedures above and noted the following exceptions:  
Deposits were not made within one business day of receipt.***

***Management's response:***

***7d) Management will record date of receipt and will deposit all cash collections within one business day of receipt or as soon as feasibly possible.***

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

***We performed the procedures above and noted no exceptions.***

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

***We performed the procedures above and noted no exceptions.***

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the person who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

*We performed the procedure above and noted the following exceptions:*

**No evidence that monthly statements and receipts were reviewed and approved.**

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*We performed the procedure above and noted no exceptions.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*We performed the procedures above and noted the following exceptions:*

<u>Payee</u>	<u>Amount</u>	<u>Exception Noted</u>
Circle K	\$68.25	No original receipt that identifies items purchased
Walk On's	\$48.83	No documentation of individuals participating

**Management's response:**

**12a) The entity will require an approval, in writing, of the credit card holder's monthly statements and supporting documentation by someone other than the cardholder.**

**13) The entity will maintain supporting documentation of the business purpose for credit card purchases and identify individuals participating in meal charges.**

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Based on review of the General Ledger, there were no travel reimbursements during the fiscal period.***

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

***We performed the procedures above and noted no exceptions.***

### ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.



- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

***We performed the procedures above and noted no exceptions.***

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

***This procedure is not applicable to the entity because they did not make any termination payments during 2021.***

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

***We performed the procedures above and noted the following exception:***

**Entity has not remitted United Way contributions withheld from paychecks to the charity.**

***Management's response:***

***19) The entity will remit United Way contributions on a quarterly basis.***

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

***The entity is a private nonprofit therefore Ethics requirements are not applicable.***

### ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*These procedures are not applicable to the entity. The entity did not have any debt outstanding during 2021.*

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*We performed the procedures above and noted the following exceptions:*

*The entity did not have the notice required by R.S. 24:523.1 posted on its website.*

### ***Management's response:***

*24) Management will post the Fraud Notice required by R.S. 24:523.1 on its website.*

### ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

## ***Sexual Harassment***

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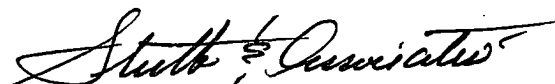
26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
  - a. Number and percentage of public servants in the agency who have completed the training requirements;
  - b. Number of sexual harassment complaints received by the agency;
  - c. Number of complaints which resulted in a finding that sexual harassment occurred;
  - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e. Amount of time it took to resolve each complaint.

***The entity is a private nonprofit therefore Sexual Harassment requirements are not applicable.***

We were engaged by the Chamber to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Chamber and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Lake Charles, Louisiana  
June 22, 2022

# Stulb & Associates, APAC

Certified Public Accountants

James F. Stulb, C.P.A.  
Kristine S. Carter, C.P.A.

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, 2021; 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 June 23, 2022.


## **Payroll Remittance**

The Organization's employees contribute to the United Way of Southwest Louisiana through payroll tax deductions. During our audit, we discovered that these deductions have not been remitted to the United Way of Southwest Louisiana since January 7, 2021. We recommend the Organization reconcile all payroll and related liability accounts at least quarterly and remit all payments in a timely manner.

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,



Lake Charles, Louisiana  
June 23, 2022

Member AICPA • Member LCPA  
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## 2021 Audit Management Response

### Payroll Remittance:

The Organization's employees contribute to the United Way of Southwest Louisiana through payroll deductions. During the audit, the CPA Firm discovered the deductions have not been remitted to the United Way of Southwest Louisiana since January 7, 2021. **The Organization will reconcile all payroll and payroll related liability accounts at least quarterly and remit all payment in a timely manner. In addition, the Organization will request the United Way of Southwest Louisiana to invoice for contributions at least quarterly.**

A handwritten signature in blue ink, appearing to read "George Swift".

George Swift, President/CEO

A handwritten date in blue ink, "6/29/22".

Date

