

**Cenla Pregnancy Center, Inc.**

**Alexandria, Louisiana**

**Annual Financial Report**

**December 31, 2022**

## Table of Contents

Independent Auditors' Report .....	1
Basic Financial Statements	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Statement of Functional Expenses .....	6
Notes to the Financial Statements .....	7



**KnightMasden**

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA

Dona C. Manuel, CPA

Stephanie R. Lemoine, CPA

## Independent Auditors' Report

To the Board of Directors  
Cenla Pregnancy Center  
Alexandria, Louisiana

### **Opinion**

We have audited the accompanying financial statements of Cenla Pregnancy Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows 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 financial position of Cenla Pregnancy Center as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cenla Pregnancy Center 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Cenla Pregnancy Center'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 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, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 Cenla Pregnancy Center'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cenla Pregnancy Center'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.

### **Report on Summarized Comparative Information**

We have previously audited the Cenla Pregnancy Center's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



**KnightMasden**  
Alexandria, Louisiana  
June 28, 2023

Cenla Pregnancy Center  
Statement of Financial Position  
December 31, 2022

	<u>2022</u>	2021 <u>Summarized Total</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 540,899	\$ 683,324
Grants and pledges receivable	13,627	31,343
Prepaid expenses	<u>8,606</u>	<u>21,556</u>
Total Current Assets	563,132	736,223
Plant, Property and Equipment, net	<u>354,234</u>	<u>45,361</u>
<b>Total Assets</b>	<b><u>\$ 917,366</u></b>	<b><u>\$ 781,584</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,384	\$ -
Payroll liabilities	<u>17,285</u>	<u>18,931</u>
Total Current Liabilities	18,669	18,931
<b>Net Assets</b>		
without Donor Restrictions	894,160	759,984
with Donor Restrictions	<u>4,537</u>	<u>2,669</u>
Total Net Assets	<u>898,697</u>	<u>762,653</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 917,366</u></b>	<b><u>\$ 781,584</u></b>

The accompanying notes are  
an integral part of the financial statements.

Cenla Pregnancy Center  
Statement of Activities  
For the Year Ended December 31, 2022

	<u>without Donor Imposed Restrictions</u>	<u>with Donor Imposed Restrictions</u>	<u>2022 Total</u>	<u>2021 Summarized Total</u>
<b>Revenues</b>				
Contributions, gifts and grants	\$ 288,960	\$ 108,408	\$ 397,368	\$ 519,269
In-kind contributions	97,824	-	97,824	88,752
Fund raising income	308,166	-	308,166	275,978
Other income	<u>11,270</u>	<u>-</u>	<u>11,270</u>	<u>71,787</u>
Total Revenues	706,220	108,408	814,628	955,786
Net Assets released from restriction	106,540	(106,540)	-	-
 <b>Functional Expenses</b>				
Program services	514,183	-	514,183	366,781
Management and general	89,628	-	89,628	86,854
Fund raising	<u>74,773</u>	<u>-</u>	<u>74,773</u>	<u>56,283</u>
Total Functional Expenses	<u>678,584</u>	<u>-</u>	<u>678,584</u>	<u>509,918</u>
Change in Net Assets	134,176	1,868	136,044	445,868
Net Assets - Beginning	<u>759,984</u>	<u>2,669</u>	<u>762,653</u>	<u>316,785</u>
Net Assets - Ending	<u>\$ 894,160</u>	<u>\$ 4,537</u>	<u>\$ 898,697</u>	<u>\$ 762,653</u>

The accompanying notes are  
an integral part of the financial statements.

Cenla Pregnancy Center  
Statement of Cash Flows  
For the Year Ended December 31, 2022

	<u>2022</u>	2021 Summarized <u>Total</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 136,044	\$ 445,868
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	11,386	8,496
In-kind donations	(97,824)	(88,594)
Donated services and supplies	97,824	88,594
(Increase) decrease in accounts and grants receivable	17,716	(31,343)
(Increase) decrease in prepaid expenses	12,950	(14,692)
Increase (decrease) in accounts payable	1,384	(1,644)
Increase (decrease) in other liabilities	<u>(1,646)</u>	<u>(826)</u>
Net Cash Provided/(Used) by Operating activities	177,834	405,859
Cash flows from Investing Activities		
Purchase of fixed assets	<u>(320,259)</u>	<u>(1,452)</u>
Net Cash Provided/(Used) by Investing Activities	(320,259)	(1,452)
Cash flows from Financing Activities		
Forgiveness of debt	<u>-</u>	<u>(33,700)</u>
Net Cash Used by Financing Activities	<u>-</u>	<u>(33,700)</u>
Net Increase (Decrease) in Cash and Cash equivalents	(142,425)	370,707
Cash and Cash Equivalents - Beginning	<u>683,324</u>	<u>312,617</u>
Cash and Cash Equivalents - Ending	<u>\$ 540,899</u>	<u>\$ 683,324</u>

The accompanying notes are an integral part of the financial statements.

Cenla Pregnancy Center  
Statement of Functional Expenses  
For the Year Ended December 31, 2022

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>	2022 <u>Total</u> <u>Expenses</u>	2021 <u>Summarized</u> <u>Total</u>
Advertising and promotion	\$ 1,387	\$ -	\$ -	\$ 1,387	\$ 2,618
Fundraising direct expenses	-	-	60,386	60,386	50,075
Insurance	14,510	449	-	14,959	7,492
Rent	76,190	8,399	4,199	88,788	88,788
Depreciation	11,386	-	-	11,386	8,496
Supplies	40,574	2,439	6,318	49,331	23,261
Professional services	10,497	2,613	-	13,110	10,730
Repairs and maintenance	6,082	1,055	527	7,664	1,479
Salaries and benefits	316,832	64,894	-	381,726	278,776
Miscellaneous	14,502	6,726	2,255	23,483	52,257
Utilities	22,223	3,053	1,088	26,364	14,134
	<u>\$ 514,183</u>	<u>\$ 89,628</u>	<u>\$ 74,773</u>	<u>\$ 678,584</u>	<u>\$ 538,106</u>

The accompanying notes are  
an integral part of the financial statements.



Cenla Pregnancy Center  
Notes to the Financial Statements  
December 31, 2022

**Note 1 – Summary of Significant Accounting Policies**

Organization

Cenla Pregnancy Center (The Center) is a nonprofit organization organized under the laws of the State of Louisiana. The Center affirms that every human life begins at conception and is created in the image of God, and endeavors to provide compassion, hope and help to anyone in our community who is experiencing a crisis-pregnancy and may be considering abortion by offering life-affirming alternatives and spiritual guidance based upon a biblical worldview. The Center offers free medical, counseling and educational services to its clients. The Center operates out of the main clinic in Alexandria, Louisiana and a satellite clinic in Marksville, Louisiana.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of The Center and changes therein are classified and reported as follows:

*Net Assets without donor restrictions* – Net assets not subject to donor-imposed stipulations.

*Net Assets with donor restrictions* – Net assets subject to donor-imposed stipulations that may be met either by actions of The Center and/or the passage of time, or be permanently maintained by The Center. When a restriction expires, net assets with donor restrictions are reclassified to net asset without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions

Contributions are recorded as pledged or received. Unconditional promises to give are recorded as they are made. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Income Taxes

The Center is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, the Center is not classified as a “private foundation” by the Internal Revenue Service.

Cash and Cash Equivalents

Cash and cash equivalents represent unrestricted bank deposits and highly liquid investments with original maturities of three months or less.

Cenla Pregnancy Center  
Notes to the Financial Statements  
December 31, 2022

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost on the date of acquisition. Donated property is recorded at the estimated fair value upon receipt. Depreciation on buildings and equipment is computed using the straight-line basis over estimated useful lives ranging from 3 to 40 years.

Repairs, maintenance and minor replacements are charged to operations as incurred. Major replacements and improvements are capitalized at cost. When capitalized items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Assets donated with explicit restrictions regarding their use and contributions of cash designated to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, The Center reports expirations of donor restrictions when the donated or acquired assets are placed in service. Temporarily restricted net assets are reclassified to unrestricted net assets at that time.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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. Actual results could differ from those estimates.

**Note 2 – Fair Value Measurement**

FASB ACS 820-10, Fair Value measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include cash, checking and savings accounts, certificates of deposits, highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Cenla Pregnancy Center  
Notes to the Financial Statements  
December 31, 2022

**Note 2 – Fair Value Measurement (continued)**

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at December 31, 2022 are as follows:

<u>Description</u>	<u>Fair Value Measurement at December 31, 2022</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$540,899	\$540,899	-	-

**Note 3 – Plant, Property and Equipment**

Plant, Property and Equipment utilized by The Center are presented as follows:

<u>Description</u>	<u>Life</u>	
Furniture, Fixtures and Equipment	5 – 10 years	\$ 99,603
Building	39 years	290,498
Accumulated Depreciations		<u>(35,867)</u>
Net		<u>\$354,234</u>

Depreciation expense for 2022 was \$11,386.

**Note 4 – Donated Supplies and Services**

During 2022, the Center received donated supplies of \$11,176, donated professional services of \$2,660, and \$83,988 for use of their office building.

Unpaid volunteers have made significant contributions of their time to The Center. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

Cenla Pregnancy Center  
Notes to the Financial Statements  
December 31, 2022

**Note 5 – Income Taxes**

The Center's tax return for the years ended December 31, 2019 through 2021, remains open and subject to examination by taxing authorities. The tax return for the year ended December 31, 2022 has not been filed as of the report date.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or assets) or disclosure in the financial statements.

**Note 6 – Net Assets**

At December 31, 2022, net assets with donor restrictions consisted of the following:

Adoption support	\$3,420
Abortion pill reversal training	<u>1,117</u>
Total	<u>\$4,537</u>

**Note 7 – Risks and Uncertainties**

The Center maintains cash balances with regional banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022, there was \$242,808 in cash on deposit that was in excess of the federally-insured limits.

**Note 8 – Liquidity and Availability of Financial Assets**

Financial assets, consisting of cash, that are available for general expenditure, that is, without donor or other restrictions limiting their use, amounted to \$549,989 at December 31, 2021. The Center has a goal to maintain sufficient financial resources on hand to meet sixty days of normal operating expenses.

Financial assets:	
Cash	\$540,899
Receivables	<u>13,627</u>
Total financial assets at year-end	554,526
Less those unavailable for general expenditure	<u>(4,537)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$549,989</u>

Cenla Pregnancy Center  
Notes to the Financial Statements  
December 31, 2022

**Note 9 – Leases**

The Center elects to apply the short-term lease measurement and recognition exemption to its leased office space. For the entire reporting period ending December 31, 2022, there are two short term leases in that class.

On July 1, 2017, a month-to-month lease for the Alexandria clinic was signed with the Executive Board of the Louisiana Baptist Convention. The fair market value of the lease is \$7,000 per month. The Center's monthly lease payment is \$1, with the remainder of the fair market value of being an in-kind donation from the Executive Board. The Clinic paid a total of \$12 in lease payments and \$83,988 in in-kind lease donation for 2022.

On May 1, 2019, a month-to-month lease for the Marksville clinic was signed. The lease calls for monthly lease payments of \$400. The Center paid \$4,800 in lease payments for 2022.

**Note 10 – Subsequent Events**

In January 2023, the Center received a cease-and-desist letter from a pregnancy center located in Florida regarding the logo being used by the Center. The Florida pregnancy center has a trademark on the logo. The Center has complied with the requirements of the letter by covering the logo on all signage and stopped using the logo on stationery and promotion items. An attorney on the board of the Center has handled the letter and communicated to the Florida pregnancy center the steps the Center has taken. The Center is in the process of adopting a new logo.

Subsequent events have been evaluated through June 28, 2023, which is the date the financial statements were available for issuance.