

Cenla Pregnancy Center, Inc.

Alexandria, Louisiana

Annual Financial Report

December 31, 2023

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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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial



Cenla Pregnancy Center

June 26, 2024

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statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KnightsMadden

KnightsMadden

Alexandria, Louisiana

June 26, 2024



Cenla Pregnancy Center
Statement of Financial Position
December 31, 2023

	<u>2023</u>	<u>2022</u> <u>Summarized</u> <u>Total</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 244,391	\$ 540,968
Investments	409,171	-
Grants and pledges receivable	16,796	13,627
Prepaid expenses	<u>17,050</u>	<u>8,606</u>
Total Current Assets	687,408	563,201
Plant, Property and Equipment, net	<u>339,088</u>	<u>354,234</u>
Total Assets	<u>\$ 1,026,496</u>	<u>\$ 917,435</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 400	\$ 1,384
Payroll liabilities	<u>10,027</u>	<u>17,285</u>
Total Current Liabilities	10,427	18,669
Net Assets		
without Donor Restrictions	1,010,201	894,229
with Donor Restrictions	<u>5,868</u>	<u>4,537</u>
Total Net Assets	<u>1,016,069</u>	<u>898,766</u>
Total Liabilities and Net Assets	<u>\$ 1,026,496</u>	<u>\$ 917,435</u>

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

Cenla Pregnancy Center
Statement of Activities
For the Year Ended December 31, 2023

	<u>without Donor</u> <u>Imposed</u> <u>Restrictions</u>	<u>with Donor</u> <u>Imposed</u> <u>Restrictions</u>	<u>2023</u> <u>Total</u>	<u>2022</u> <u>Summarized</u> <u>Total</u>
Revenues				
Contributions, gifts and grants	\$ 277,677	\$ 96,565	\$ 374,242	\$ 397,218
In-kind contributions	103,214	-	103,214	97,824
Fund raising income	314,302	-	314,302	308,166
Investment income	18,888	-	18,888	5,774
Other income	-	-	-	5,496
Total Revenues	<u>714,081</u>	<u>96,565</u>	<u>810,646</u>	<u>814,478</u>
Net Assets released from restriction	95,234	(95,234)	-	-
Functional Expenses				
Program services	527,425	-	527,425	514,183
Management and general	90,869	-	90,869	89,478
Fund raising	75,049	-	75,049	74,773
Total Functional Expenses	<u>693,343</u>	<u>-</u>	<u>693,343</u>	<u>678,434</u>
Change in Net Assets	115,972	1,331	117,303	136,044
Net Assets - Beginning	<u>894,229</u>	<u>4,537</u>	<u>898,766</u>	<u>762,722</u>
Net Assets - Ending	<u>\$ 1,010,201</u>	<u>\$ 5,868</u>	<u>\$ 1,016,069</u>	<u>\$ 898,766</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, 2023

	<u>2023</u>	2022 Summarized <u>Total</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 117,303	\$ 136,044
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	18,181	11,386
Income on investments	(9,171)	
In-kind donations	(103,214)	(97,824)
Donated services and supplies	103,214	97,824
(Increase) decrease in accounts and grants receivable	(3,169)	17,716
(Increase) decrease in prepaid expenses	(8,444)	12,950
Increase (decrease) in accounts payable	(984)	1,384
Increase (decrease) in other liabilities	<u>(7,258)</u>	<u>(1,646)</u>
Net Cash Provided/(Used) by Operating activities	106,458	177,834
Cash flows from Investing Activities		
Purchase of investments	(400,000)	-
Purchase of fixed assets	<u>(3,035)</u>	<u>(320,190)</u>
Net Cash Provided/(Used) by Investing Activities	(403,035)	(320,190)
Net Increase (Decrease) in Cash and Cash equivalents	(296,577)	(142,356)
Cash and Cash Equivalents - Beginning	<u>540,968</u>	<u>683,324</u>
Cash and Cash Equivalents - Ending	<u>\$ 244,391</u>	<u>\$ 540,968</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, 2023

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>	2023 <u>Total</u> <u>Expenses</u>	2022 <u>Summarized</u> <u>Total</u>
Advertising and promotion	\$ 14,231	\$ -	\$ 2,499	\$ 16,730	\$ 5,006
Fundraising direct expenses	2,618	-	49,743	52,361	60,386
Insurance	15,224	417		15,641	14,959
Rent	76,590	8,399	4,199	89,188	88,788
Depreciation	18,181	-	-	18,181	11,386
Supplies	28,270	2,376	2,565	33,211	45,562
Professional services	12,286	2,738	-	15,024	13,110
Repairs and maintenance	10,318	1,272	636	12,226	7,664
Salaries and benefits	319,165	67,419	11,897	398,481	381,726
Miscellaneous	4,905	4,749	2,427	12,081	23,483
Utilities	25,637	3,499	1,083	30,219	26,364
	<u>\$ 527,425</u>	<u>\$ 90,869</u>	<u>\$ 75,049</u>	<u>\$ 693,343</u>	<u>\$ 678,434</u>

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

Cenla Pregnancy Center
Notes to the Financial Statements
December 31, 2023

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 satellite clinics in Marksville, Louisiana and Vidalia, 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, 2023

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.

Leases

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. The Center elects to apply the short-term lease measurement and recognition exemption to its leased office space. Leases with a term of 12 months or less will not be accounted for with right-of-use lease assets and lease liabilities.

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:

Cenla Pregnancy Center
Notes to the Financial Statements
December 31, 2023

Note 2 – Fair Value Measurement (continued)

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.

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, 2023 are as follows:

<u>Description</u>	<u>Fair Value Measurement at December 31, 2023</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$244,391	\$244,391	\$ -	\$ -
Investments	\$409,171	\$ -	\$409,171	\$ -

Note 3 – Investments

The Center opened an investment account by transferring money into a local non-endowed agency fund with the Louisiana Baptist Foundation (the Foundation). Investments held in this account at December 31, 2023 had a total value of \$409,171.

Details regarding amounts reported as investment income are presented as follows:

<u>Description</u>	
Interest and Dividends	\$9,171

Cenla Pregnancy Center
Notes to the Financial Statements
December 31, 2023

Note 4 – 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	\$102,638
Building	39 years	290,498
Accumulated Depreciations		<u>(54,048)</u>
Net		<u>\$339,088</u>

Depreciation expense for 2023 was \$18,181.

Note 5 – Donated Supplies and Services

During 2023, the Center received donated supplies of \$9,807, donated professional services of \$4,414, fundraising expenses of \$5,005 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.

Note 6 – Income Taxes

The Center's tax return for the years ended December 31, 2020 through 2022, remains open and subject to examination by taxing authorities. The tax return for the year ended December 31, 2023 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, 2023, 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.

Cenla Pregnancy Center
Notes to the Financial Statements
December 31, 2023

Note 7 – Net Assets

At December 31, 2023, net assets with donor restrictions consisted of the following:

Adoption support	\$3,200
Boutique	1,118
Mommy bags	100
Quarterly classes for clients	333
Abortion pill reversal training	<u>1,117</u>
Total	<u>\$5,868</u>

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, 2023. The Center has a goal to maintain sufficient financial resources on hand to meet sixty days of normal operating expenses.

Financial assets:	
Cash	\$244,391
Investments	409,171
Receivables	<u>16,796</u>
Total financial assets at year-end	670,358
Less those unavailable for general expenditure	<u>(5,868)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$664,490</u>

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, 2023, 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 2023.

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 2023.

Cenla Pregnancy Center
Notes to the Financial Statements
December 31, 2023

Note 10 – Subsequent Events

The Center has no material subsequent events that would require disclosure. Subsequent events have been evaluated through June 26, 2024, which is the date the financial statements were available for issuance.

Supplementary Information

Cenla Pregnancy Center
Statement of Activities by Location
For the Year Ended December 31, 2023

	<u>Cenla</u>	<u>Avoyelles</u>	<u>Miss-Lou</u>	<u>2023</u> <u>Total</u>
Revenues				
Contributions, gifts and grants	\$ 348,308	\$ 11,185	\$ 14,749	\$ 374,242
In-kind contributions	102,836	196	182	103,214
Fund raising income	294,332	10,433	9,537	314,302
Investment income	18,888	-	-	18,888
Total Revenues	<u>764,364</u>	<u>21,814</u>	<u>24,468</u>	<u>810,646</u>
Functional Expenses				
Advertising and promotion	11,293	431	5,006	16,730
Fundraising direct expenses	52,361	-	-	52,361
Insurance	10,776	953	3,912	15,641
Rent	83,988	5,200	-	89,188
Depreciation	4,973	2,646	10,562	18,181
Supplies	30,143	864	2,204	33,211
Professional services	14,624	200	200	15,024
Repairs and maintenance	10,252	-	1,974	12,226
Salaries and benefits	398,481	-	-	398,481
Miscellaneous	12,081	-	-	12,081
Utilities	23,148	2,643	4,428	30,219
Total Functional Expenses	<u>652,121</u>	<u>12,937</u>	<u>28,286</u>	<u>693,343</u>
 Change in Net Assets	 <u>\$ 112,243</u>	 <u>\$ 8,877</u>	 <u>\$ (3,818)</u>	 <u>\$ 117,303</u>

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