PELICAN CENTER FOR CHILDREN AND FAMILIES

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

Postlethwaite & Netterville
A Professional Accounting Corporation
pncpa.com

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SEPTEMBER 30, 2020

C O N T E N T S

P&N
Postlethwaite & Netterville

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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pelican Center for Children and Families

Report on the Financial Statements

We have audited the accompanying financial statements of Pelican Center for Children and Families (the Organization) (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pelican Center for Children and Families as of September 30, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer on page 13 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, 2021, on our consideration of the Organization'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 solely 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 the effectiveness of the Organization's 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 Organization's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
March 9, 2021

PELICAN CENTER FOR CHILDREN AND FAMILIES
NEW ORLEANS, LOUISIANA
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Current assets:		
Cash	$ 269,541	$ 213,992
Grants receivable	202,249	282,616
Total current assets	471,790	496,608
Equipment, net	2,474	3,489
Total assets	$ 474,264	$ 500,097
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued expenses	$ 54,664	$ 80,111
Total current liabilities	54,664	80,111
Total liabilities	54,664	80,111
Net assets:		
Without donor restrictions	419,600	419,986
Total net assets	419,600	419,986
Total liabilities and net assets	$ 474,264	$ 500,097

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

PELICAN CENTER FOR CHILDREN AND FAMILIES
NEW ORLEANS, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES AND SUPPORT WITHOUT DONOR RESTRICTIONS:		
Grants	$ 808,631	$ 809,714
Conference, net of related expenses of $119,497 and $106,752 for the years ended September 30, 2020 and 2019, respectively	(9,246)	15,313
In-kind contributions	-	14,393
Miscellaneous	276	5,242
Total revenues and other support without donor restrictions	799,661	844,662
EXPENSES:		
Program services	697,000	752,460
Management and general	103,047	133,518
Total expenses	800,047	885,978
Change in net assets without donor restrictions	(386)	(41,316)
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	419,986	461,302
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF THE YEAR	$ 419,600	$ 419,986

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

PELICAN CENTER FOR CHILDREN AND FAMILIES
NEW ORLEANS, LOUISIANA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020			2019		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Professional services	$ 669,650	$ 99,003	$ 768,653	$ 703,853	$ 124,892	$ 828,745
Operating expenses	27,350	4,044	31,394	48,090	8,533	56,623
Supplies	-	-	-	517	93	610
Conference expenses	119,497	-	119,497	106,752	-	106,752
Total expenses by function	816,497	103,047	919,544	859,212	133,518	992,730
Less expenses included with revenues on the statements of activities						
Conference expenses	(119,497)	-	(119,497)	(106,752)	-	(106,752)
Total expenses included in the expense section on the statements of activities	$ 697,000	$ 103,047	$ 800,047	$ 752,460	$ 133,518	$ 885,978

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

PELICAN CENTER FOR CHILDREN AND FAMILIES
NEW ORLEANS, LOUISIANA
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (386)	$ (41,316)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,015	1,049
Changes in operating assets and liabilities:		
Change in grants receivable	80,367	(41,988)
Change in accrued expenses	(25,447)	4,678
Net cash provided by (used in) operating activities:	55,549	(77,577)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	-	(2,049)
Net cash used in investing activities:	-	(2,049)
Net increase (decrease) in cash	55,549	(79,626)
Cash, beginning of year	213,992	293,618
Cash, end of year	$ 269,541	$ 213,992

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

PELICAN CENTER FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

The Pelican Center for Children and Families (the Organization) is a non-profit corporation incorporated on January 31, 2013 under the laws of the State of Louisiana. The Organization's mission is to encompass all Louisiana Court Improvement Program (CIP) activities and provide for formalized, interdisciplinary and collaborative work agreements with relevant child welfare stakeholders throughout the state, with a goal of improving global outcomes for children.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (US GAAP).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Classification of Net Assets

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At and for the years ended September 30, 2020 and 2019, the Organization had no net assets with donor restrictions.

1. Summary of Significant Accounting Policies (continued)

Cash

The Organization maintains cash in bank accounts which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable. At September 30, 2020 and 2019, there was no allowance for bad debt recorded.

Equipment

The Organization capitalizes all expenditures for property and equipment in excess of $200 and expenditures for repairs and improvements that materially prolong the useful lives of assets capitalized. Equipment is recorded at historical cost or, if donated, at the approximate fair value at the date of donation. Depreciation of these assets is provided on the straight-line basis over their estimated useful lives of five years.

Expense Allocation

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Professional and operating services are allocated based on time and effort.

Revenue and Revenue Recognition

Revenue is recognized when earned. Conference registration fees received in advance are deferred to the applicable period in which the related services are performed.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

1. **Summary of Significant Accounting Policies (continued)**

Contributed Goods and Services

The Organization occupies an office space under an agreement with the Louisiana Bar Foundation at no charge. In-kind revenue of $0 and $14,393 was recognized for the years ended September 30, 2020 and 2019, respectively.

Members of the Organization's board of directors and other volunteers have made significant contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recognized in these financial statements as it does not meet the criteria for recognition under US GAAP.

Recent Accounting Pronouncements Not Yet Adopted

On September 17, 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07 on Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases* (Topic 842), *Targeted Improvements*, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of retained earnings. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Program's fiscal year ending June 30, 2023.

The Organization is currently assessing the impact of these pronouncements on its financial statements.

PELICAN CENTER FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

2. Liquidity and Availability

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. The Organization receives the majority of its revenue from various state and federal grant programs. The grant amounts are appropriated each year by the federal and state governments.

The Organization manages its available cash to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that long term commitments will continue to be met, ensuring the sustainability of the Organization.

The table below presents financial assets available for general expenditures within one year at September 30:

	2020	2019
Total assets	$ 474,264	$ 500,097
Less: non-current and non-financial assets		
Equipment, net	(2,474)	(3,489)
Financial assets available for general expenditures over the next 12 months	$ 471,790	$ 496,608

3. Equipment

Equipment as of September 30, consisted of the following:

	2020	2019
Equipment	$ 7,592	$ 7,592
Less: accumulated depreciation	(5,118)	(4,103)
	$ 2,474	$ 3,489

Depreciation expense for the years ended September 30, 2020 and 2019 totaled $1,015 and $1,049, respectively.

PELICAN CENTER FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

4. **Significant Grants**

For the years ended September 30, 2020 and 2019, $800,633 and $792,666, respectively, of the Organization's financial assistance was federal and state funds received by the Louisiana Supreme Court, passed through to the Organization, or received by the Louisiana Department of Children and Families, passed through Southeastern University to the Organization. Management believes that the Organization is in compliance with the provisions of these grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

5. **Contingencies**

The Organization participates in state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of September 30, 2020 and 2019 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

The Organization may become involved in certain claims and legal actions arising in the normal course of activities. In management's opinion, there are no significant contingent liabilities relating to these matters; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

6. **Income Taxes**

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. Accordingly, no provision for income taxes on related income has been included in the financial statements.

The Organization applies the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The Organization recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The Organization has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

PELICAN CENTER FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

7. **Outbreak of COVID-19**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the continuing impact of the COVID-19 pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Organization's donors, employees and vendors, all of which are uncertain and cannot be predicted

8. **Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 9, 2021, and determined that other than the matters regarding the continuing impact of the outbreak of COVID-19 described in Note 7, there were no other events occurred that require additional disclosure. No events after this date have been evaluated for inclusion in the financial statements.

SUPPLEMENTARY INFORMATION

PELICAN CENTER FOR CHILDREN AND FAMILIES

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED SEPTEMBER 30, 2020

Agency Head Name: Mark Harris, Executive Director

Purpose	**Amount**
Salary (contract payments)	$145,800
Benefits-insurance	N/A
Benefits-retirement	N/A
Benefits	N/A
Car allowance	N/A
Vehicle provided by government	N/A
Per diem	N/A
Reimbursements	N/A
Travel in state field	$3,164
Registration fees	N/A
Conference travel (in state & out of state)	$3,205
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special meals	N/A

See accompanying independent auditors' report.

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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 Board of Directors
Pelican Center for Children and Families

We have audited, in accordance with the 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 financial statements of Pelican Center for Children and Families (the Organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 Pelican Center for Children and Families' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing* Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
March 9, 2021