
ACADIANA OUTREACH CENTER, INC.

FINANCIAL STATEMENTS

JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

ACADIANA OUTREACH CENTER, INC.

FINANCIAL STATEMENTS

JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1 - 2
<u>Financial Statements</u>	
Statements of Financial Position	3 - 4
Statements of Activities and Changes in Net Assets	5
Statements of Cash Flows	6
Statements of Functional Expenses	7 - 8
Notes to Financial Statements	9 - 12
<u>Supplemental Information</u>	
Schedule of Compensation, Benefits, and other Payments to the Chief Executive Officer	13
<u>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 <i>Government Auditing Standards</i></u>	14 - 15

INDEPENDENT AUDITORS' REPORT

Board of Directors
Acadiana Outreach Center, Inc.
Lafayette, Louisiana

We have audited the accompanying statements of financial position of Acadiana Outreach Center, Inc. (a non-profit organization) as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets, 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 audits 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 auditors' 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 entity'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 entity'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.

Opinion

In our opinion, the financial statements referred to on previous page present fairly, in all material respects, the financial position of Acadiana Outreach Center, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments to the Chief Executive Officer, as required by Act No. 462 of the 2015 Regular Session of the Louisiana Legislature, 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 December 29, 2017 on our consideration of Acadiana Outreach Center Inc.'s internal controls over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering Acadiana Outreach Center, Inc.'s internal control over financial reporting and compliance.



Lafayette, Louisiana
December 29, 2017

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 180,679	\$ 218,320
Grants receivable	21,745	16,959
Prepaid expenses	5,375	4,226
Total current assets	<u>207,799</u>	<u>239,505</u>
 <u>PROPERTY AND EQUIPMENT</u>		
Property and equipment, net	<u>195,460</u>	<u>190,773</u>
Total property and equipment	<u>195,460</u>	<u>190,773</u>
 Total Assets	 <u><u>\$ 403,259</u></u>	 <u><u>\$ 430,278</u></u>

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

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2017 AND 2016

LIABILITIES AND NET ASSETS

	<u>2017</u>	<u>2016</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 1,360	\$ 2,254
Deferred revenue	-	1,000
Accrued expenses	13,193	12,429
Total current liabilities	<u>14,553</u>	<u>15,683</u>
Total Liabilities	<u>14,553</u>	<u>15,683</u>
<u>NET ASSETS</u>		
Unrestricted net assets	<u>388,706</u>	<u>414,595</u>
Total net assets	<u>388,706</u>	<u>414,595</u>
Total Liabilities and Net Assets	<u>\$ 403,259</u>	<u>\$ 430,278</u>

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

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>REVENUES</u>		
Donor contributions	\$ 53,125	\$ 63,890
Special events	116,984	126,958
Investment income	1,392	1,458
Grants	201,532	160,945
In-kind donations	18,025	27,019
Program revenue	37,767	80,885
Other revenue	7,467	9,703
Total revenues	<u>436,292</u>	<u>470,858</u>
<u>EXPENSES</u>		
Program	404,681	337,499
Management and general	9,418	35,266
Fundraising	48,082	72,728
Total expenses	<u>462,181</u>	<u>445,493</u>
Change in net assets	(25,889)	25,365
Net assets - beginning of year	<u>414,595</u>	<u>389,230</u>
Net assets - end of year	<u>\$ 388,706</u>	<u>\$ 414,595</u>

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

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (25,889)	\$ 25,365
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Depreciation	10,335	8,357
Changes in operating assets and liabilities:		
Grants receivable	(4,786)	1,831
Prepaid expenses	(1,149)	90
Accounts payable	(894)	757
Deferred revenue	(1,000)	(12,660)
Accrued expenses	764	472
Net cash provided by (used in) operating activities	(22,619)	24,212
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(15,022)	(14,350)
Net cash used in investing activities	(15,022)	(14,350)
Net (decrease) increase in cash and cash equivalents	(37,641)	9,862
Cash and cash equivalents - beginning of year	218,320	208,458
Cash and cash equivalents - end of year	\$ 180,679	\$ 218,320

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

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary and wages expense	\$ 255,861	\$ 3,965	\$ 7,930	\$ 267,756
Professional fees	13,135	1,325	-	14,460
Client assistance expense	55,907	-	-	55,907
Insurance	17,700	932	-	18,632
Office expenses	9,574	504	-	10,078
Utilities and waste expense	16,778	883	-	17,661
Repairs and maintenance	16,795	884	-	17,679
Staff development	856	-	-	856
Fundraising expense	-	-	22,642	22,642
In-kind donations expense	515	-	17,510	18,025
Depreciation expense	9,818	517	-	10,335
Other expenses	7,742	408	-	8,150
	<u>\$ 404,681</u>	<u>\$ 9,418</u>	<u>\$ 48,082</u>	<u>\$ 462,181</u>

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

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary and wages expense	\$ 229,485	\$ 24,709	\$ 24,709	\$ 278,903
Professional fees	6,814	6,814	-	13,628
Client assistance expense	16,815	-	-	16,815
Insurance	16,185	852	-	17,037
Office expenses	9,225	486	-	9,711
Utilities and waste expense	14,190	747	-	14,937
Repairs and maintenance	17,940	944	-	18,884
Staff development	354	-	-	354
Fundraising expense	-	-	33,913	33,913
In-kind donations expense	12,913	-	14,106	27,019
Depreciation expense	7,939	418	-	8,357
Other expenses	5,639	296	-	5,935
	<u>\$ 337,499</u>	<u>\$ 35,266</u>	<u>\$ 72,728</u>	<u>\$ 445,493</u>

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

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Nature of Activities

Acadiana Outreach Center, Inc. (the Organization or AOC) was organized under the provisions of R.S. 1950, Title 12, Chapter 2, as amended, of the State of Louisiana on November 5, 1990. The Organization constitutes a not-for-profit corporation, organized exclusively for charitable, educational, and scientific purposes. The Acadiana Outreach Center, Inc. focuses on the needs of the poor and homeless in South Louisiana areas by providing substance abuse/mental health services, women's emergency/transitional shelter, basic needs services, comprehensive case management services, and structured rehabilitative programs to fight poverty, homelessness, and mental health and substance abuse conditions.

AOC's mission is to restore the lives of poverty stricken neighbors by providing critical recovery services – access to housing, meaningful employment, and addiction treatment. These services are delivered through faith based programs easily accessible to clients. The Organization is focused on the delivery of positive client outcomes as they assist in the transition from dependency to self-sufficiency. The Organization's major program is as follows:

Lighthouse Women and Children's Shelter - The Lighthouse is an emergency/transitional shelter for homeless women and their children. The Lighthouse is a twenty-eight (28) bed facility providing case management, housing referrals, job placement assistance, life skills training, parenting classes, tutoring for the children, plus the basic necessities of food, shelter, and clothing. The Lighthouse is a place women and children can temporarily call home while they transition from homelessness to self-sufficiency with support and guidance from a caring and nurturing staff.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization did not have any permanently or temporarily restricted net assets at June 30, 2017 or June 30, 2016.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Accordingly, actual results could differ from those estimates.

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months. The Organization has no cash equivalents as of June 30, 2017 and 2016.

Property and Equipment

Property and equipment are stated at historical cost. Donated assets are recorded at fair market value. Depreciation of property and equipment is based upon the estimated useful service lives of the assets, which range from 5 - 40 years, using the straight-line method. Maintenance and repairs are charged to expense, while additions and improvements are capitalized.

Revenue Recognition and Receivables

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. During the years ended June 30, 2017 and 2016, there were no temporarily or permanently restricted net assets.

Grants are recorded as unrestricted net assets in the Statements of Activities and Changes in Net Assets. Grants receivable represent amounts owed to the Organization for costs incurred under federal and state grant contracts which are reimbursable to the Organization.

An allowance for doubtful accounts is based on management's estimate of collectability of receivables based on economic conditions, experience, and other relevant factors. All receivables are deemed collectable and an allowance for doubtful accounts has not been recorded at either June 30, 2017 or 2016.

Contributed Services

The Organization recognizes contribution revenue for certain services received at the estimated fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation. During the years ended June 30, 2017 and 2016, there were no contributed services meeting the requirements for recognition.

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

The Organization received contributions of auction items, catering, and advertising for the Palates & Pate auction during the fiscal years ended June 30, 2017 and 2016. The Organization received various donated supplies to be used for the Palates & Pate event as well as within the programs and to be distributed to clients without charge during the fiscal year ended June 30, 2017 and June 30, 2016. These contributions have been recorded at their estimated fair value as revenue with the offset recorded to expenses. The values of in-kind contributions received during the years ended June 30, 2017 and 2016 were \$18,025 and \$27,019, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and administrative activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated between program and administrative expense based on management's estimate.

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 is necessary.

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the Accounting Standards Codification (ASC). 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.

Accounting Pronouncements Issued But Not Yet Adopted

FASB has issued ASU No. 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities." Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosures of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how an entity manages its liquid available resources and liquidity risks is required. This standard is effective for fiscal years beginning after December 15, 2017. Early application of the standard is permitted.

FASB has issued ASU No. 2014-09, "Revenue from Contracts with Customers," to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. This standard will be effective for periods beginning after December 15, 2018.

ACADIANA OUTREACH CENTER, INC.
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

In February 2016, the FASB issued ASU No. 2016-02, "Leases." This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2019.

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

3. Property and Equipment

Property and equipment acquired by the Organization is considered to be owned by the Organization. The composition of property and equipment at June 30, 2017 and 2016 was as follows:

	<u>2017</u>	<u>2016</u>
Land	\$ 56,500	\$ 56,500
Buildings & improvements	249,501	249,501
Vehicles	39,544	24,522
Furniture, fixtures, & equipment	<u>30,197</u>	<u>30,197</u>
	375,742	360,720
Accumulated depreciation	<u>(180,282)</u>	<u>(169,947)</u>
Net book value	<u>\$ 195,460</u>	<u>\$ 190,773</u>

4. Line of Credit

The Organization signed paperwork with a financial institution for an unsecured \$50,000 Line of Credit on June 3, 2016. The balance of the liability at June 30, 2017 was \$0. The line of credit was renewed on June 2, 2017 and matures on June 1, 2018. Interest is payable monthly, continuing until the debt is paid in full. Interest is at a rate based on the Prime rate of interest published in the Wall Street Journal, plus a margin (4.25% through June 1, 2017; 4.50% beginning June 2, 2017). The interest rate was 8.75% and 7.75% at June 30, 2017 and 2016, respectively.

5. Concentration of Credit Risk

The Organization maintains several accounts at a local financial institution. The balances, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. Management believes the credit risk associated with these deposits is minimal.

6. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, December 29, 2017, and determined that no events have occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

ACADIANA OUTREACH CENTER INC.
LAFAYETTE LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE CHIEF EXECUTIVE OFFICER

YEAR ENDED JUNE 30, 2017

Agency Head Name: Jill Meaux

As established by Act No. 462 of the 2015 Regular Session of the Louisiana Legislature, a not-for-profit entity that receives public funds shall report only the use of public funds for the expenditures itemized in the supplemental report. Acadiana Outreach Center Inc. received unrestricted contributions during the fiscal year which provided the funding for the expenditures related to the Executive Director's compensation, benefits, and other payments.

See accompanying independent auditors' report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Acadiana Outreach Center, Inc.
Lafayette, Louisiana

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 Acadiana Outreach Center, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2017, the statements of activities and changes in net assets, 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 December 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Acadiana Outreach Center Inc.'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 Acadiana Outreach Center Inc.'s 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.

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 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 no instance 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

Lafayette, Louisiana
December 29, 2017