

HOSPICE OF ACADIANA FOUNDATION, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

HOSPICE OF ACADIANA FOUNDATION, INC.

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**DARNALL SIKES
& FREDERICK**
A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS

2000 Kaliste Saloom Road, Suite 300
Lafayette, LA 70508

P 337-232-3312
F 337-237-3614

DSFCPAS.COM

OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Hospice of Acadiana Foundation, Inc.
Lafayette, Louisiana

We have reviewed the accompanying financial statements of Hospice of Acadiana Foundation, Inc. (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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Hospice of Acadiana Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

March 24, 2024
Lafayette, Louisiana

HOSPICE OF ACADIANA FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 975,213
Investments	1,812,577
Notes Receivable	41,000
Other Receivables	4,000
Donations Receivable	32,449
Grant Receivable	45,473
Prepaid Expenses	<u>21,831</u>
Total Current Assets	<u>2,932,543</u>

PROPERTY AND EQUIPMENT

Land	200,449
Furniture, Fixtures and Equipment	86,249
Building	2,639,441
Construction in Progress	<u>152,088</u>
Total	3,078,227
Less: Accumulated Depreciation	<u>(169,680)</u>
Net Property and Equipment	<u>2,908,547</u>

OTHER ASSETS

Investment in 2502 Johnston Street, LLC	<u>255,849</u>
Total Other Assets	<u>255,849</u>

TOTAL ASSETS \$ 6,096,939

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 4,018
Accrued Payroll and Related Liabilities	<u>73,466</u>
Total Current Liabilities	<u>77,484</u>

TOTAL LIABILITIES 77,484

NET ASSETS

Endowment Net Assets Without Donor Restrictions	688,526
Without Donor Restrictions	5,246,598
With Donor Restrictions	<u>84,331</u>
Total Net Assets	<u>6,019,455</u>

TOTAL LIABILITIES AND NET ASSETS \$ 6,096,939

See Independent Accountants' Review Report and Notes to Financial Statements.

HOSPICE OF ACADIANA FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT

Donations	\$ 199,794
Endowment Fund Contributions	616,350
Fundraising	571,147
Memberships	2,900
Memorials	135,057
Grants	<u>253,617</u>
Total Public Support	<u>1,778,865</u>

REVENUES

Dividends	42,661
Interest	12,672
Income from Equity Investment	5,352
Gain (Loss) on Investment Transactions:	
Unrealized	137,847
Realized	(9,729)
Lease Income	150,000
Miscellaneous	<u>282</u>
Total Revenues	<u>339,085</u>

NET ASSETS RELEASED FROM RESTRICTIONS

Restrictions Satisfied by Payments	<u>115,692</u>
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**TOTAL PUBLIC SUPPORT, REVENUES AND NET ASSETS
RELEASED FROM RESTRICTIONS**

2,233,642

EXPENSES AND LOSSES

Program Services	406,064
Supporting Services	
Administrative Expenses	345,444
Fundraising Expenses	<u>402,712</u>
Total Expenses	<u>1,154,220</u>

INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

\$ 1,079,422
(continued)

See Independent Accountants' Review Report and Notes to Financial Statements.

HOSPICE OF ACADIANA FOUNDATION, INC.

**STATEMENT OF ACTIVITIES - CONTINUED
YEAR ENDED DECEMBER 31, 2023**

NET ASSETS WITH DONOR RESTRICTIONS	
Contributions	\$ 81,370
Capital Campaign Contributions	73,500
Net Assets Released From Restrictions	<u>(115,692)</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>39,178</u>
INCREASE IN NET ASSETS	1,118,600
NET ASSETS AT BEGINNING OF YEAR	<u>4,900,855</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,019,455</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

HOSPICE OF ACADIANA FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	<u>SUPPORTING SERVICES</u>			
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	
Compensation and Related Expenses				
Salaries	\$ -	\$ 88,514	\$ 223,036	\$ 311,550
Health Insurance	-	1,357	5,428	6,785
Payroll Taxes	-	5,388	14,776	20,164
	<u>-</u>	<u>95,259</u>	<u>243,240</u>	<u>338,499</u>
Accounting	-	13,690	-	13,690
Advertising	-	34,302	-	34,302
Auto Expense	-	550	-	550
Bad Debt Expense	-	-	29,517	29,517
Bank Charges	-	8,785	-	8,785
Capital Campaign Costs	-	-	(1,567)	(1,567)
CLT Expenses	1,810	-	-	1,810
Computer Equipment and Software	-	6,327	-	6,327
Contract Labor	-	9,350	4,500	13,850
Depreciation	-	69,380	-	69,380
Dues and Licenses	-	4,678	-	4,678
Food with Love	39,596	-	-	39,596
Fundraising Expenses	-	-	124,263	124,263
Grant Awarded	332,580	-	-	332,580
Insurance	-	37,521	-	37,521
Interest	-	-	2,759	2,759
Investment Fees	-	6,794	-	6,794
Legal	-	531	-	531
Miscellaneous	4,555	1,432	-	5,987
Mission Moment	27,523	-	-	27,523
Office Expense	-	2,128	-	2,128
Postage and Printing	-	23,036	-	23,036
Repairs and Maintenance	-	28,196	-	28,196
Staff Education	-	578	-	578
Supplies	-	1,668	-	1,668
Telephone	-	546	-	546
Travel	-	693	-	693
	<u>-</u>	<u>693</u>	<u>-</u>	<u>693</u>
TOTAL	<u>\$ 406,064</u>	<u>\$ 345,444</u>	<u>\$ 402,712</u>	<u>\$ 1,154,220</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

HOSPICE OF ACADIANA FOUNDATION, INC

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 1,118,600
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Depreciation	69,380
(Gain) Loss on Investment Transactions	(128,118)
Income from Equity Investment	(5,352)
Changes in Current Assets and Liabilities:	
Pledges Receivable	36,850
Donations Receivable	(32,449)
Grant Receivable	(45,473)
Prepaid Expenses	(12,022)
Accounts Payable	(21,088)
Accrued Payroll and Related Liabilities	<u>23,949</u>
Net Cash Provided by Operating Activities	<u>1,004,277</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(207,804)
Purchase of Securities	<u>(652,216)</u>
Net Cash Used In Investing Activities	<u>(860,020)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of Note Payable	<u>(162,061)</u>
Net Cash Used In Financing Activities	<u>(162,061)</u>

NET DECREASE IN CASH AND EQUIVALENTS (17,804)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 993,017

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 975,213

Supplemental Cash Flow Information

Interest Paid \$ 2,759

See Independent Accountants' Review Report and Notes to Financial Statements.

HOSPICE OF ACADIANA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Hospice of Acadiana Foundation, Inc. is a non-profit organization that concentrates primarily on raising funds for organizations in the Greater Lafayette, Louisiana area which are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, with specific interest focused on Hospice of Acadiana, Inc. and organizations whose activities benefit Hospice of Acadiana, Inc. The Foundation's support comes primarily from donations, events and sponsorships.

Basis of Accounting – The financial statements of Hospice of Acadiana Foundation, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Public Support and Revenue – Contributions and grants, if received, are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions, if any, are reported as increases net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. If donors specify a length of time over which the property or equipment must be used, the restrictions expire evenly over the required period. Absent that type of restriction for use, the Organization considers the restriction met when the assets are placed in service.

Contributions and pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate applicable to the year in which the contribution is made.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments – The Organization carries investments in marketable securities with readily determinable fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Investments in unconsolidated subsidiaries, jointly owned companies, and other investees in which the Organization has a 20% to 50% interest or otherwise exercises significant influence are accounted for by the equity method under which they are carried at cost, adjusted for the Organization's proportionate share of their undistributed earnings or losses.

HOSPICE OF ACADIANA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Prepaid Expenses – Insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid.

Property and Equipment – Property and equipment are valued at historical cost for assets purchased and at fair market value at the time of donation for donated assets. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. The equipment is depreciated on a straight-line basis over the assets useful lives. Depreciation expense was \$69,380 for the year ended December 31, 2023.

Compensated Absences – Employees accrue vacation days from the first day of employment. A maximum of eighty hours per year is allowed for the first through third year of employment. No more than forty hours of vacation time can carry over from the preceding year(s). After the third year, one additional day is added up to a maximum of twenty-five working days. Part time employees can accrue vacation up to a maximum of 40 hours accrued based on hours worked per payroll and can carry up to twenty (20) hours. At time of separation or termination, an employee will be reimbursed for all accrued vacation hours. Employees accrue sick leave at the rate of eight hours per month of service and may accumulate a maximum of 480 hours. Part time employees accrue sick leave based on hours worked per payroll up to a maximum of 240 hours. Sick leave is payable at separation/termination unless terminated for cause by the Organization.

Accrued compensated absences was \$59,429 at December 31, 2023.

Net Assets – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Organization. Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may either be met by the passage of time or the fulfillment of stipulated purpose. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions. The Organization's unspent contributions are reported in this class if the donor limited their use, as are promised contributions that are not yet due.

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.

HOSPICE OF ACADIANA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Services – The Organization receives substantial volunteer service hours in all areas of the Organization. No amounts have been reflected on the statements for donated services because no objective basis is available to measure the value of such services.

The Organization received various donated items and services as part of its fundraising activities. Donated items and services revenue for the year ended December 31, 2023 was \$0-.

Functional Allocation of Expenses – The cost of providing the various programs and other activities have been summarized on the functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes – Hospice of Acadiana Foundation, Inc. qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and, therefore has no provision for federal income taxes. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to tax return examinations for the years prior to 2019.

Fair Value Considerations – Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity’s internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item’s fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity’s short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

(B) CONCENTRATION OF CREDIT RISK

The Organization maintains cash accounts and a money market account at four financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023, the Organization’s uninsured cash balances at one of the institutions totaled \$83,555. The Organization believes it is not exposed to any significant credit risk on its cash and equivalent balances.

HOSPICE OF ACADIANA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(C) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation strives to maintain liquid financial assets sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other investments.

The following table reflects the Foundation's financial assets as of December 31, 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations.

Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Cash and Equivalents	\$ 975,213
Investments	<u>1,812,577</u>
Total Financial Assets	2,787,790
Less: Net Assets with Donor Restrictions	<u>(84,331)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,703,459</u>

(D) INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best described based upon quoted market prices.

The Foundation utilizes fair value measurement to record fair value adjustments to investments and to determine fair value disclosures. Investments are recorded at fair value on a recurring basis. The Foundation has no assets or liabilities recorded at fair value on a nonrecurring basis.

The Foundation uses a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As of December 31, 2023, all of the Organization's investments are Level 1.

HOSPICE OF ACADIANA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(D) INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

Investments at December 31, 2023 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
General Investments	\$ 1,062,322	\$ 1,124,035	\$ 61,713
Endowment Investments	<u>656,980</u>	<u>688,542</u>	<u>31,562</u>
Total Investments	<u>\$ 1,719,302</u>	<u>\$ 1,812,577</u>	<u>\$ 93,275</u>

(E) ENDOWMENT FUND

The Foundation's endowment consists of approximately 50 unrestricted individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The objective of the endowment fund investments is to ensure the long-term sustainability of quality end-of-life care, and support services for terminal patients and their families. The risk tolerance is moderate mix.

As of December 31, 2023, all of the endowments of the Foundation are without donor restrictions.

Changes in endowment net assets as of December 31, 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment Net Assets, Beg of Year	\$ 32,305	\$ 32,305
Contributions	616,350	616,350
Investment Return, Net	41,430	41,430
Expenditures	<u>(1,543)</u>	<u>(1,543)</u>
Endowment Net Assets, End of Year	<u>\$ 688,542</u>	<u>\$ 688,542</u>

(F) NOTES RECEIVABLE

In March 2022, the Foundation made a cash loan of \$41,000 to 2502 Johnston Street, LLC for working capital (i.e., insurance, minor improvements, etc.) which was not paid back at the end of the 2023.

(G) DONATIONS RECEIVABLE

The Foundation holds several fund-raising campaigns to ensure the long-term sustainability of their mission and goals. The donations receivable as of December 31, 2023 are \$32,449 and are expected to be received in 2024.

(H) GRANTS RECEIVABLE

The Foundation agreed to a Cooperative Endeavor Agreement with the Facility Planning and Control Division of the State of Louisiana for the expansion and improvement of the parking lot at the Calcutta House. The Foundation paid the first installment of \$45,473 with confirmation that the State of Louisiana will reimburse them for this amount. The payment is expected to be received in 2024.

HOSPICE OF ACADIANA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(I) INVESTMENT IN 2502 JOHNSTON STREET, LLC

In January 2022, the Foundation and a third-party entity formed 2502 Johnston Street, LLC for the sole purpose of acquiring a building and land. The Foundation owns a 20% interest in this LLC. The investment is accounted for using the equity method and reported \$5,352. as Income from Equity Investment for December 31, 2023. The value of the investment at December 31, 2023 was \$255,849. as is reflected as an other asset on the statement of financial position.

(J) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions balances at December 31, 2023 and net assets released from restriction during 2023 were:

	<u>Balances at</u> <u>December 31, 2023</u>	<u>Released</u> <u>During 2023</u>
We Honor Veterans	\$ 360	\$ -
Pet Peace of Mind	5,397	-
CLT	-	14,182
Camp Braveheart	315	1,810
Food With Love	78,259	26,200
Capital Campaign	<u>-</u>	<u>73,500</u>
Total	<u>\$ 84,331</u>	<u>\$ 115,692</u>

The Foundation kicked off the Capital Campaign in 2019 to raise funds to construct a 6,500 square foot in-patient hospice facility. The construction of the facility was completed in August 2021. All funds have been spent as of December 31, 2023.

(K) ADVERTISING COSTS

Advertising costs are expensed as incurred. Total advertising costs were \$34,302 for the year ended December 31, 2023.

(L) RELATED PARTY OPERATING LEASES - LESSOR

On August 6, 2021, the Organization entered into a lease agreement with Hospice of Acadiana, Inc. (a related company) for a facility. The term of the initial lease is for five years expiring on July 31, 2026. The lease has a renewal option for three additional terms of five years each. The rent during the renewal term will be based on the Consumer Price Index on the Adjustment Date.

Lease Income

Lease income included on the statement of activities as part of revenues. Cash receipts from operating leases are classified within cash flows from operating activities.

Year Ending December 31,	<u>2023</u>
Building Lease	<u>\$ 150,000</u>
Total Lease Income	<u>\$ 150,000</u>

HOSPICE OF ACADIANA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(L) RELATED PARTY OPERATING LEASES – LESSOR - continued

Lease Assets

The following is an analysis of the carrying amounts of the underlying assets related to the operating lease:

Year Ending December 31,	2023
Building	\$ 2,546,467
Less: Accumulated Depreciation	<u>65,986</u>
Total Cost, Net	<u>\$ 2,480,481</u>

The following is an analysis of the maturity of the undiscounted operating lease payments:

Year Ending December 31,	
2024	150,000
2025	150,000
2026	<u>87,000</u>
Total Minimum Future Rentals	<u>\$ 387,000</u>

(M) LITIGATION AND OTHER MATTERS

There is no litigation pending against the Foundation. The Foundation's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Foundation's financial statements.

(N) RELATED PARTIES

The Foundation is affiliated with Hospice of Acadiana, Inc. The Foundation has neither ownership nor a majority voting interest on the Hospice of Acadiana's Board. However, in accordance with the Foundation's by-laws, Hospice of Acadiana, Inc. is the sole beneficiary of any assets upon dissolution of the Foundation. Hospice of Acadiana, Inc. also receives a discretionary allocation of funds raised by the Foundation to help support their mission. The Foundation paid \$310,424 as its discretionary allocation to Hospice of Acadiana, Inc. for 2023.

Beginning in 2021, the Hospice of Acadiana, Inc. leases facilities from the Foundation (see Footnote L).

(O) CONTINGENCIES

From time to time, the Organization is subject to litigation, principally arising from the normal course of operations, the aggregate of which, in management's opinion, would be adequately covered by insurance or resolved without any material impact upon the Organization's financial statements.

(P) SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 24, 2024, the date which the financial statements were available to be issued.

ADDITIONAL INFORMATION



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Hospice of Acadiana Foundation, Inc.
Lafayette, Louisiana

We have performed the procedures enumerated below, which were agreed to by Hospice of Acadiana Foundation, Inc. (the Foundation) and the Louisiana Legislative Auditor (LLA) on the Foundation's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Foundations' management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Foundation's management.

Obtained listing from management.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

No exceptions.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

No exceptions.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

No exceptions.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

No exceptions.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Not applicable.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

Not applicable.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Hospice of Acadiana Foundation, Inc. is a not-for-profit and is not subject to the open meetings laws.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

No exceptions.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

Report will be provided to the LLA (Louisiana Legislative Auditor) in a timely manner.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

No such contracts noted.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

Not applicable.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Hospice of Acadiana Foundation's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Hospice of Acadiana Foundation, Inc.'s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

March 24, 2024
Lafayette, Louisiana

HOSPICE OF ACADIANA FOUNDATION, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

We have reviewed the financial statements of Hospice of Acadiana Foundation, Inc., as of and for the year ended December 31, 2023, and have issued our report thereon dated March 24, 2024. We conducted our review in accordance with Statements on Standards for Accounting and Review Services (SSARS) and the provisions of Louisiana Revised Statutes 24:513.

Section I – Summary of Accountants’ Report

Type of report issued: Review

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

This section is not applicable for the current year.

HOSPICE OF ACADIANA FOUNDATION, INC.

**SCHEDULE OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

No prior year findings.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

_____)

Darnall Sikes & Frederick

2000 Kaliste Saloom Road, Suite 300

Lafayette, LA 70508

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/23 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No N/A

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No N/A

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No N/A

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “[Open Meeting FAQs](#),” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No N/A

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No N/A

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No N/A

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes No N/A

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes No N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes No N/A

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.



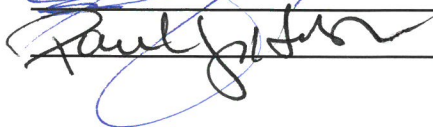
Yes No N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No N/A

The previous responses have been made to the best of our belief and knowledge.

	Secretary	<u>2/29/24</u>	Date
	Treasurer	<u>2/29/24</u>	Date
	President	<u>2/29/24</u>	Date