

CADENCE OF ACADIANA, INC.

FINANCIAL REPORT

JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
CADENCE of Acadiana, Inc.
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of CADENCE of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CADENCE of Acadiana, Inc. as of June 30, 2022 and 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CADENCE of Acadiana, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CADENCE of Acadiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CADENCE of Acadiana, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CADENCE of Acadiana, Inc.'s ability to continue as a going concern for a reasonable period of time.

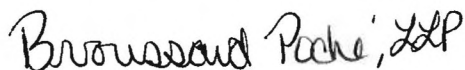
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and expenses and the schedule of compensation, benefits, and other payments to agency head 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 28, 2022, on our consideration of CADENCE of Acadiana, Inc.'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 of the effectiveness of CADENCE of Acadiana Inc.'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 CADENCE of Acadiana Inc.'s internal control over financial reporting and compliance.



Lafayette, Louisiana
December 28, 2022

FINANCIAL STATEMENTS

CADENCE OF ACADIANA, INC.
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,655,038	\$ 2,311,177
Accounts receivable	345,793	328,012
Prepaid expenses	34,646	36,672
Other receivable	<u>61,422</u>	<u>61,422</u>
Total current assets	<u>\$ 3,096,899</u>	<u>\$ 2,737,283</u>
PROPERTY AND EQUIPMENT		
Buildings	\$ 32,970	\$ 32,970
Furniture and fixtures	429,186	332,127
Equipment	72,995	134,143
Leasehold improvements	41,699	85,688
Less: accumulated depreciation	<u>(334,537)</u>	<u>(305,697)</u>
Net property and equipment	<u>\$ 242,313</u>	<u>\$ 279,231</u>
OTHER ASSETS		
Other receivable – long-term portion	\$ 163,791	\$ 225,212
Deposits	<u>13,568</u>	<u>3,925</u>
Total other assets	<u>\$ 177,359</u>	<u>\$ 229,137</u>
Total assets	<u>\$ 3,516,571</u>	<u>\$ 3,245,651</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 36,130	\$ 12,019
Accrued payroll and related liabilities	147,697	127,682
Deferred revenue	<u>-</u>	<u>20,126</u>
Total current liabilities	<u>\$ 183,827</u>	<u>\$ 159,827</u>
LONG TERM LIABILITIES		
Accrued compensated absences	<u>65,999</u>	<u>61,800</u>
Total liabilities	<u>\$ 249,826</u>	<u>\$ 221,627</u>
NET ASSETS		
Without donor restrictions	<u>\$ 3,266,745</u>	<u>\$ 3,024,024</u>
Total liabilities and net assets	<u>\$ 3,516,571</u>	<u>\$ 3,245,651</u>

See Notes to Financial Statements.

CADENCE OF ACADIANA, INC.
 STATEMENTS OF ACTIVITIES
 Years Ended June 30, 2022 and 2021

	Without Donor Restrictions	
	2022	2021
REVENUES, GAINS, LOSSES AND OTHER SUPPORT		
Rehabilitation service contracts	\$ 3,847,427	\$ 3,789,614
Miscellaneous income	1,065	188,081
Loss on disposal of property and equipment	(59,808)	-
Provider Relief funds	<u>20,126</u>	<u>61,326</u>
Total revenue, gains, losses and other support	<u>\$ 3,808,810</u>	<u>\$ 4,039,021</u>
EXPENSES		
Program services:		
Case management	\$ 3,084,892	\$ 2,922,879
Supporting services:		
General and administrative	<u>481,197</u>	<u>384,817</u>
Total expenses	<u>\$ 3,566,089</u>	<u>\$ 3,307,696</u>
Change in net assets	\$ 242,721	\$ 731,325
Net assets at the beginning of the year	<u>3,024,024</u>	<u>2,292,699</u>
Net assets at the end of the year	<u>\$ 3,266,745</u>	<u>\$ 3,024,024</u>

See Notes to Financial Statements.

CADENCE OF ACADIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Years Ended June 30, 2022 and 2021

	2022			2021		
	<u>Program Services</u>	<u>Supporting Services</u>	Total Program and Support Services	<u>Program Services</u>	<u>Supporting Services</u>	Total Program and Support Services
	Case Management	General and Administrative		Case Management	General Administrative	
PAYROLL AND RELATED EXPENSES						
Salaries	\$ 2,265,779	\$ 310,967	\$ 2,576,746	\$ 2,084,868	\$ 258,010	\$ 2,342,878
Employee benefits -						
Payroll taxes	177,858	21,314	199,172	163,872	16,246	180,118
Group insurance	179,918	11,548	191,466	205,645	11,939	217,584
Total payroll and related expenses	\$ 2,623,555	\$ 343,829	\$ 2,967,384	\$ 2,454,385	\$ 286,195	\$ 2,740,580
OTHER EXPENSES						
Computer expense	\$ 10,118	\$ 20,352	\$ 30,470	\$ 22,452	\$ 10,696	\$ 33,148
Dues, subscriptions and licenses	6,297	1,747	8,044	6,609	3,090	9,699
Education and professional development	2,354	1,943	4,297	1,442	7,208	8,650
Insurance	48,403	5,007	53,410	55,876	7,480	63,356
Janitorial expense	16,000	-	16,000	19,200	-	19,200
Medical expenses	3,035	-	3,035	2,494	-	2,494
Office expense/supplies	107,642	7,660	115,302	133,374	2,602	135,976
Professional fees	-	91,072	91,072	-	63,610	63,610
Rent expense	153,777	-	153,777	109,219	-	109,219
Repairs and maintenance	14,180	1,444	15,624	14,764	2,126	16,890
Telephone	28,459	1,375	29,834	34,208	1,760	35,968
Travel	13,705	6,768	20,473	13,470	50	13,520
Utilities	14,347	-	14,347	16,800	-	16,800
Total other expenses	\$ 418,317	\$ 137,368	\$ 555,685	\$ 429,908	\$ 98,622	\$ 528,530
Total expenses before depreciation	\$ 3,041,872	\$ 481,197	\$ 3,523,069	\$ 2,884,293	\$ 384,817	\$ 3,269,110
Depreciation	43,020	-	43,020	38,586	-	38,586
Total expenses	\$ 3,084,892	\$ 481,197	\$ 3,566,089	\$ 2,922,879	\$ 384,817	\$ 3,307,696

See Notes to Financial Statements.

CADENCE OF ACADIANA, INC.

STATEMENTS OF CASH FLOW
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 242,721	\$ 731,325
Adjustments to reconcile change in net assets to operating activities:		
Depreciation	43,020	38,586
Loss on disposal of property and equipment	59,808	-
(Increase) decrease in assets -		
Accounts receivable	(17,781)	64,554
Other receivable	61,421	(203,748)
Prepaid expenses	2,026	14,271
Deposit	(9,643)	-
Increase (decrease) in liabilities -		
Accounts payable	24,111	(5,939)
Accrued payroll and liabilities	20,015	(3,777)
Deferred revenue	(20,126)	20,126
Accrued compensated absences	4,199	368
Net cash provided by operating activities	<u>\$ 409,771</u>	<u>\$ 655,766</u>
 INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(65,910)</u>	<u>(26,686)</u>
Net increase in cash	\$ 343,861	\$ 629,080
Cash at the beginning of the year	<u>2,311,177</u>	<u>1,682,097</u>
Cash at the end of the year	<u>\$ 2,655,038</u>	<u>\$ 2,311,177</u>

See Notes to Financial Statements.

CADENCE OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of operations: -

CADENCE of Acadiana, Inc. is a non-profit organization that provides case management services to infants and toddlers, mentally retarded/developmentally disabled waiver participants; adult disabled and elderly waiver participants and the HIV population throughout South Louisiana. The organization also provides professional vocational rehabilitation counseling and related services for injured employees who have outstanding workers' compensation claims. The Organization provides services through the Louisiana Department of Health and Hospitals and currently services three regions (Baton Rouge, Thibodeaux, and Lafayette) consisting of 21 parishes in the State of Louisiana. These services are funded by various insurance companies.

Significant Accounting Policies:

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations and not subject to donor or grantor restrictions.

Net assets with donor restrictions – Net assets with donor restrictions are resources that are subject to donor-imposed or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. CADENCE of Acadiana, Inc. did not have any donor restricted net assets as of June 30, 2022 and 2021.

Revenue and revenue recognition -

The Organization provides case management services through the Louisiana Department of Health and Hospitals. The services are provided under costs reimbursable contracts and various insurance companies. As services are provided, the insurance is billed and revenue is recognized at a point in time. The basis for payment to the Organization under the insurance agreements includes predetermined rates. Contributions are recognized when cash, 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 or the donor has explicitly released the restriction.

Revenue with and without donor restrictions -

Contributions that are restricted by the donor are reported as contributions with donor restrictions that increase that net asset class. When donor restrictions expire, 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 are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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 restriction.

NOTES TO FINANCIAL STATEMENTS

Donated services -

The organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributions -

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulation time restrictions 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. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Donor-restricted funds –

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases this net asset class. However, if a restriction is fulfilled in the same reporting period in which the contribution is received, the entity reports the support as unrestricted.

Use of estimates -

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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.

Income taxes -

CADENCE of Acadiana, 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. However, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization did not have any material unrelated business income for the fiscal years under audit. In addition, CADENCE of Acadiana, Inc. has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Organization has not adopted any uncertain tax positions with respect to those amounts reported in its fiscal years ended June 30, 2022 and 2021 financial statements.

Cash and cash equivalents -

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

Accounts receivable and allowance for doubtful accounts -

The organization considers accounts receivable to be fully collectible since the balance consists primarily of payments due under governmental contracts. The receivable balance under contracts as of December 31, 2022, 2021, and 2020 were \$345,793, \$328,012, and \$392,566, respectively. If amounts due become uncollectible, they will be charged to operations. Management has determined that a provision for uncollectible amounts is not required as of June 30, 2022 and 2021.

Property and equipment -

Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. The organization has a policy of capitalizing all acquisitions in excess of \$1,500.

Depreciation is computed using the straight-line method at rates based on the following useful lives:

	<u>Years</u>
Buildings	10
Furniture and fixtures	7
Equipment	5-15
Leasehold improvements	5-20

Total depreciation expense for the years ended June 30, 2022 and 2021 was \$43,020 and \$38,586, respectively.

Concentration of credit risk -

The Organization places its cash with high quality financial institutions. However, at times, such amounts may be in excess of the Federal Deposit Insurance Corporation (FDIC) limits. As of the end of the year, the Organization did not anticipate any losses as it relates to these concentrations. The majority of the Organization's accounts receivable are comprised of amounts due from various state agencies. A majority of the revenues are comprised of state funded programs. A change in this funding could substantially affect operations.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The Statements of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

Liquidity -

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according the nearness of their maturity and resulting use of cash.

NOTES TO FINANCIAL STATEMENTS

Vacation and sick leave -

Vacation is earned after one year of employment and is calculated based on each employee's anniversary year. Any unused vacation as of an employee's anniversary date is forfeited. Upon separation, employees will be compensated for any unused vacation generated in the current year. Accordingly, an accrual has been recorded for current accumulated vacation as of June 30, 2022 and 2021, respectively.

Sick leave with pay is earned at a rate of 40 hours per calendar year, commencing 90 days after employment. Sick leave may be accumulated only for use in an extended illness. No sick leave or extended illness leave is payable to an employee upon separation.

Advertising -

Advertising costs are charged to operations when incurred. The Organization did not have any advertising expenses for the years ended June 30, 2022 and 2021.

Upcoming accounting pronouncements -

The Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. The ASU is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Organization is continuing to assess the impact adoption of this update will have on the financial statements going forward.

Note 2. Other Receivable

On March 20, 2021, Goodwill Industries of Acadiana, Inc. signed a written agreement to pay the Organization a total of \$301,989 in 59 monthly installments of \$5,118. First payment was due on April 1, 2021. There is no interest accrued or to be paid on the principal payment.

The aggregate maturities of principal payments due on this agreement by fiscal year are as follows:

2023	\$ 61,422
2024	61,422
2025	61,422
2026	<u>40,947</u>
	<u>\$ 225,213</u>

Note 3. CARES Act Provider Relief Funds

The Provider Relief Funds support American families, workers, and the heroic healthcare providers in the battle against COVID-19 outbreak. The Department of Health & Human Services distributed funds to hospitals and healthcare providers on the front lines of the coronavirus response. Retention of these funds are subject to certain terms and conditions. The funds received are only to be used to prevent, prepare for, and respond to the coronavirus, and reimburse the Organization only for health care related expenses or lost revenues that are attributable to coronavirus. If these terms and conditions are met, payments will not need to be repaid at a later date. During the fiscal year ended June 30, 2021, the Organization received \$81,452 in Provider Relief Funds.

As of June 30, 2021, \$61,326 in eligible expenses was incurred under the provisions of the funding and was recognized as revenue in the fiscal year and \$20,126 was recognized as deferred revenue in the statement of financial position. As of June 30, 2022, \$20,126 in eligible expenses were incurred under the provision of the funding and was recognized as revenue in the fiscal year.

NOTES TO FINANCIAL STATEMENTS

Recipients who received payments exceeding \$10,000 are required to report to the Department of Health & Human Services. The Organization should have reported the use of the funds during the period of January 1, 2022 to March 31, 2022. The Organization did not report the funds as required by the guidelines. They are currently working the Department of Health & Human Services to get this resolved.

Note 4. Operating Leases

On January 1, 2019, the Organization entered into an operating lease for office space. The lease was for a period of 36 months with a monthly payment of \$4,550. On December 8, 2021, an addendum was signed extending the term of the lease by 4 months. Under the addendum, the monthly payments were \$11,442 and include office space, utilities, and janitorial services. The addendum guarantees payment of the full rent for the full 4 month period regardless of whether the Organization occupies the premise for the entire term. The lease ended effective May 1, 2022.

On November 13, 2020, the Organization entered into an operating lease for office space. The lease is for a period of 12 months with a monthly payment of \$1,450. The lease ended November 30, 2021.

On April 1, 2020, the Organization entered into an operating lease for office space. The lease is for a period of 24 months with a monthly payment of \$2,800. On May 1, 2022, there was a new lease signed for a period of 24 months with a monthly payment of \$2,800 for 12 months and a monthly payment of \$3,000 for the next twelve months.

On April 1, 2022, the Organization entered into an operating lease for office space. The lease is for a period of 60 months with a monthly payment of \$9,642.

Future minimum operating lease commitments are as follows:

<u>Year Ended June 30,</u>	
2023	\$ 136,868
2024	151,710
2025	115,710
2026	115,710
2027	<u>86,783</u>
	<u>\$ 606,781</u>

Rent expenses under these leases totaled \$148,839 and \$106,140 for the years ended June 30, 2022 and 2021, respectively.

Note 5. Availability and Liquidity of Resources

The following represents the Organization's financial assets available for general expenditures that is, without donor or other restrictions limiting their use as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,655,038	\$ 2,311,177
Receivables, current portion	345,793	328,012
Other receivables, current portion	<u>61,422</u>	<u>61,422</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 3,062,253</u>	<u>\$ 2,700,611</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Employee Benefit Plan

The Organization has a 403(b) plan in effect that covers all full-time employees. Employees may contribute to the plan up to the maximum amount allowed by the Internal Revenue Code.

Note 7. Reclassifications

Certain reclassifications have been made in the financial statements at June 30, 2021, in order to be consistent with reporting in the current year. These reclassifications had no effect on previously reported net assets or changes in net assets.

Note 8. Coronavirus Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus includes restrictions on travel, on quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Organization operates. It is unknown how long these conditions will last and what the complete financial effect will be on the Organization. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 9. Subsequent Events

Management has evaluated subsequent events through December 28, 2022, the date at which the financial statements were available to be issued.

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SUPPLEMENTARY INFORMATION

CADENCE OF ACADIANA, INC.

SCHEDULES OF REVENUES AND EXPENSES

Years Ended June 30, 2022 and 2021

	2022					
	Program Services			Total Case Management	Support Activities	Total Program and support Services
	Case Management	Case Management			General and Administrative	
Region 2	Region 3	Region 4				
REVENUES	\$ 419,992	\$ 738,585	\$ 2,688,850	\$ 3,847,427	\$ (38,617)	\$ 3,808,810
EXPENSES	<u>369,879</u>	<u>458,288</u>	<u>2,213,705</u>	<u>3,041,872</u>	<u>481,197</u>	<u>3,523,069</u>
Income (loss) before depreciation	50,113	280,297	475,145	805,555	(519,814)	285,741
DEPRECIATION	<u>-</u>	<u>8,250</u>	<u>34,770</u>	<u>43,020</u>	<u>-</u>	<u>43,020</u>
NET INCOME (LOSS)	<u>\$ 50,113</u>	<u>\$ 272,047</u>	<u>\$ 440,375</u>	<u>\$ 762,535</u>	<u>\$ (519,814)</u>	<u>\$ 242,721</u>
	2021					
	Program Services			Total Case Management	Support Activities	Total Program and support Services
	Case Management	Case Management			Administrative	
	Region 2	Region 3	Region 4			
REVENUES	\$ 415,207	\$ 733,146	\$ 2,641,261	\$ 3,789,614	\$ 249,407	\$ 4,039,021
EXPENSES	<u>319,955</u>	<u>502,154</u>	<u>2,062,184</u>	<u>2,884,293</u>	<u>384,817</u>	<u>3,269,110</u>
Income (loss) before depreciation	95,252	230,992	579,077	905,321	(135,410)	769,911
DEPRECIATION	<u>-</u>	<u>7,045</u>	<u>31,541</u>	<u>38,586</u>	<u>-</u>	<u>38,586</u>
NET INCOME (LOSS)	<u>\$ 95,252</u>	<u>\$ 223,947</u>	<u>\$ 547,536</u>	<u>\$ 866,735</u>	<u>\$ (135,410)</u>	<u>\$ 731,325</u>

CADENCE OF ACADIANA, INC.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
Year Ended June 30, 2022

Agency Head: Erica Buchanan, Executive Director

Purpose

Salary	\$ 143,845
Benefits: Insurance	7,521
Car Allowance	6,000
Cell Phone	1,576
Dues	5,180
Travel	<u>1,401</u>
	<u>\$ 165,523</u>

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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
CADENCE of Acadiana, 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 CADENCE of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CADENCE of Acadiana 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CADENCE of Acadiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Cadence of Acadiana, Inc.'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

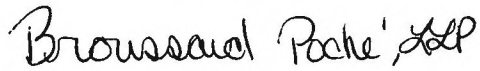
As part of obtaining reasonable assurance about whether CADENCE of Acadiana, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item #2022-1.

CADENCE of Acadiana, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the CADENCE of Acadiana, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The CADENCE of Acadiana, Inc.'s response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Broussard Poche, CPA". The signature is written in a cursive style.

Lafayette, Louisiana
December 28, 2022

CADENCE OF ACADIANA, INC.

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2022

We have audited the financial statements of Cadence of Acadiana, Inc. as of and for the year ended June 30, 2022, and have issued our report thereon dated December 28, 2022. We conducted our audit 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. Our audit of the financial statements as of June 30, 2022 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses Yes No

Control deficiencies identified that are not considered to be material weaknesses Yes None Reported

Compliance

Compliance material to financial statements Yes No

Section II - Financial Statement Findings

#2022-1 Provider Relief Fund Reporting

Condition: CADENCE of Acadiana, Inc. was required to report the use of the Provider Relief Funds as part of the post-payment reporting process as required by the Health Resources and Services Administration (HRSA). The Organization did not report to the HRSA as required.

Criteria: CADENCE of Acadiana, Inc. was required by HRSA to report the use of the Provider Relief Funds.

Cause: The Organization did not receive reporting communications from HRSA.

Effect: The report was not filed in accordance with post-payment reporting process as required by HRSA.

Recommendation: We would recommend that the Organization contact HRSA to insure that all proper emails and address are on file with HRSA and to request from HRSA to file the necessary reports.

Response: We have contacted HRSA regarding the non-reporting issue and we are currently working on getting the issue resolved. We have insured that the proper email is on file and are awaiting an email regarding instructions on how to resolve the issue.

CADENCE OF ACADIANA, INC.

SCHEDULE OF PRIOR FINDINGS

Year Ended June 30, 2022

Section I. Internal Control and Compliance Material to the Financial Statements

#2021-1 Louisiana Audit Law

Recommendation: In the future, the Organization should be aware of the deadline and make reasonable efforts to provide requested information in a timely manner.

Current Status: Resolved

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.