CADENCE OF ACADIANA, INC.

FINANCIAL REPORT

JUNE 30, 2023

CONTENTS

INDEPENDENT AUDITORS' REPORT

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

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, 2023 and 2022, 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, 2023 and 2022, 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. 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization adopted Financial Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The adoption of ASU 2016-02, *Leases (Topic 842)*, did not materially impact change in net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets. Our opinion is not modified with respect to this matter.

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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional 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.

Broussard Poché, LLP

Lafayette, Louisiana
September 14, 2023

FINANCIAL STATEMENTS

CADENCE OF ACADIANA, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	$ 3,668,509	$ 2,655,038
Accounts receivable	441,450	345,793
Prepaid expenses	51,891	34,646
Other receivable	61,422	61,422
Total current assets	$ 4,223,272	$ 3,096,899
PROPERTY AND EQUIPMENT		
Buildings	$ -	$ 32,970
Furniture and fixtures	402,111	429,186
Equipment	174,365	72,995
Leasehold improvements	41,699	41,699
Less: accumulated depreciation	(362,537)	(334,537)
Net property and equipment	$ 255,638	$ 242,313
Right of Use assets, net	$ 1,077,332	$ -
OTHER ASSETS		
Other receivable – long-term portion	$ 107,488	$ 163,791
Deposits	19,939	13,568
Total other assets	$ 127,427	$ 177,359
Total assets	$ 5,683,669	$ 3,516,571
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 13,999	$ 36,130
Accrued payroll and related liabilities	196,388	147,697
Operating lease liabilities, current portion	200,143	-
Total current liabilities	$ 410,530	$ 183,827
LONG TERM LIABILITIES		
Accrued compensated absences	$ 76,373	$ 65,999
Operating lease liabilities, less current portion	879,400	-
Total long-term liabilities	$ 955,773	$ 65,999
Total liabilities	$ 1,366,303	$ 249,826
NET ASSETS		
Without donor restrictions	$ 4,317,366	$ 3,266,745
Total liabilities and net assets	$ 5,683,669	$ 3,516,571

See Notes to Financial Statements.

CADENCE OF ACADIANA, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	Without Donor Restrictions	
	2023	2022
REVENUES, GAINS, LOSSES AND OTHER SUPPORT		
Rehabilitation service contracts	$ 5,680,480	$ 3,847,427
Miscellaneous income	-	1,065
Loss on disposal of property and equipment	(605)	(59,808)
Provider Relief funds	-	20,126
Total revenue, gains, losses and other support	$ 5,679,875	$ 3,808,810
EXPENSES		
Program services:		
Case management	$ 3,846,606	$ 3,084,892
Supporting services:		
General and administrative	782,648	481,197
Total expenses	$ 4,629,254	$ 3,566,089
Change in net assets	$ 1,050,621	$ 242,721
Net assets at the beginning of the year	3,266,745	3,024,024
Net assets at the end of the year	$ 4,317,366	$ 3,266,745

See Notes to Financial Statements.

CADENCE OF ACADIANA, INC

STATEMENT OF FUNCTIONAL EXPENSES
Years Ended June 30, 2023 and 2022

	2023			2022		
	Program Services Case Management	Supporting Services General and Administrative	Total Program and Support Services	Program Services Case Management	Supporting Services General Administrative	Total Program and Support Services
PAYROLL AND RELATED EXPENSES						
Salaries	$ 2,804,824	$ 519,973	$ 3,324,797	$ 2,265,779	$ 310,967	$ 2,576,746
Employee benefits -						
Payroll taxes	219,439	27,441	246,880	177,858	21,314	199,172
Group insurance	195,888	16,582	212,470	179,918	11,548	191,466
Total payroll and related expenses	$ 3,220,151	$ 563,996	$ 3,784,147	$ 2,623,555	$ 343,829	$ 2,967,384
OTHER EXPENSES						
Computer expense	$ 48,946	$ 9,431	$ 58,377	$ 10,118	$ 20,352	$ 30,470
Consultant fees	7,763	5,603	13,366	-	-	-
Dues, subscriptions and licenses	13,140	1,134	14,274	6,297	1,747	8,044
Education and professional development	726	1,260	1,986	2,354	1,943	4,297
Insurance	53,979	6,512	60,491	48,403	5,007	53,410
Janitorial expense	-	-	-	16,000	-	16,000
Lease expenses	180,309	-	180,309	-	-	-
Medical expenses	5,480	-	5,480	3,035	-	3,035
Office expense/supplies	147,704	6,900	154,604	107,642	7,660	115,302
Professional fees	-	127,816	127,816	-	91,072	91,072
Rent expense	15,286	-	15,286	153,777	-	153,777
Repairs and maintenance	50,505	39,475	89,980	14,180	1,444	15,624
Telephone	20,261	2,657	22,918	28,459	1,375	29,834
Travel	29,812	17,864	47,676	13,705	6,768	20,473
Utilities	680	-	680	14,347	-	14,347
Total other expenses	$ 574,591	$ 218,652	$ 793,243	$ 418,317	$ 137,368	$ 555,685
Total expenses before depreciation	$ 3,794,742	$ 782,648	$ 4,577,390	$ 3,041,872	$ 481,197	$ 3,523,069
Depreciation	51,864	-	51,864	43,020	-	43,020
Total expenses	$ 3,846,606	$ 782,648	$ 4,629,254	$ 3,084,892	$ 481,197	$ 3,566,089

See Notes to Financial Statements.

CADENCE OF ACADIANA, INC.

STATEMENTS OF CASH FLOW
Years Ended June 30, 2023 and 2022

	2023	2022
OPERATING ACTIVITIES		
Change in net assets	$ 1,050,621	$ 242,721
Adjustments to reconcile change in net assets		
to operating activities:		
Depreciation	51,864	43,020
Loss on disposal of property and equipment	605	59,808
(Increase) decrease in assets -		
Accounts receivable	(95,657)	(17,781)
Other receivable	56,303	61,421
Prepaid expenses	(17,245)	2,026
Right of use assets	154,450	-
Deposit	(6,371)	(9,643)
Increase (decrease) in liabilities –		
Accounts payable	(22,131)	24,111
Accrued payroll and liabilities	48,691	20,015
Deferred revenue	-	(20,126)
Accrued compensated absences	10,374	4,199
Operating lease liabilities	(152,239)	-
Net cash provided by operating activities	$ 1,079,265	$ 409,771
INVESTING ACTIVITIES		
Purchase of fixed assets	$ (74,294)	$ (65,910)
Proceeds from the disposal of property and equipment	8,500	-
Net cash used in investing activities	$ (65,794)	$ (65,910)
Net increase in cash	$ 1,013,471	$ 343,861
Cash at the beginning of the year	2,655,038	2,311,177
Cash at the end of the year	$ 3,668,509	$ 2,655,038

See 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, 2023 and 2022.

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.

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, 2023 and 2022 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.

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 June 30, 2023, 2022, and 2021 were $441,450, $345,793, and $328,012, 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, 2023 and 2022.

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:

	Years
Buildings	10
Furniture and fixtures	7
Equipment	5-15
Leasehold improvements	5-20

Total depreciation expense for the years ended June 30, 2023 and 2022 was $51,864 and $43,020, respectively.

Leases -

Effective July 1, 2022, the Organization adopted ASU 2016-02, Leases (Topic 842) issued by the Financial Accounting Standards Board (FASB). The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The new standard establishes a right to use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classifications affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842). Prior to July 1, 2022, the Organization expensed operating lease payments as they were made.

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.

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. The Executive Director shall have the option to elect a rollover or sell-back of any unused annual leave time, not to exceed three weeks. Accordingly, an accrual has been recorded for current accumulated vacation as of June 30, 2023 and 2022, 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, 2023 and 2022.

New 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 adopted this standard effective July 1, 2022. The Company made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

The adoption of ASU 2016-02, *Leases (Topic 842)*, resulted in the recognition of a ROU asset and operating lease liability of $579,455 as of July 1, 2022. Results for periods beginning prior to July 1, 2022 continue to be reported in accordance with our historical accounting treatments. The adoption of ASU 2016-02, *Leases (Topic 842)*, did not materially impact change in net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

Upcoming accounting pronouncements -

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Organization does not intend to early adopt. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements.

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:

2024	$ 61,422
2025	61,422
2026	46,066
	$ 168,910

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.

Eligible expenses was incurred under the provisions of the funding and was recognized as revenue in the fiscal years ended June 30, 2022 and June 30, 2021 in the amounts of $20,126 and $61,326, respectively.

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. On June 23, 2023, the Organization received a notification that the Organization was not in compliance with the statutory authority or the Terms and Conditions of the PRF program. They were given 60 days (August 22, 2023) to return all payments received in the amount of $81,452. On August 1, 2023, the Organization requested a review of Health Resources and Services Administration's decision to seek repayment. They are currently waiting HRSA final determination.

Note 4. Leases

The company leases office space under operating lease agreements that have initial terms ranging from 2 to 5 years. Some leases include options to renew, generally at the Company's sole discretion, with renewal terms that can extend the lease terms. In addition, certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. The Company's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

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 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 January 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, with an option to renew for an additional 60 month term. The optional renewal term was not recognized as part of the ROU asset and lease liability.

On January 1, 2023, the Organization entered into an operating lease for office space. The lease is for a period of 60 months with a monthly payment of $6,372, with an option to renew for an addition 60 month term at a monthly payment of $6,758. The optional renewal term was recognized as part of the ROU asset and lease liability.

Operating lease cost is recognized on a straight-line basis over the lease term. The operating lease costs for the year ended June 30, 2023 is $180,309. Total rent expense for operating leases was $148,839 for the year ended June 30, 2022.

The ROU assets under leases as of June 30, 2023 are as follows:

	Operating Leases
Buildings	$ 1,231,782
Accumulated depreciation	(154,450)
Right-of-use assets, net	$ 1,077,332

The weighted-average remaining lease term for operating leases is 7.03 years.

The weighted-average discount rate for operating leases is 3.49%.

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of June 30, 2023:

	Operating Leases
Years ending June 30:	
2023	$ 123,728
2024	207,171
2025	192,171
2026	192,171
2027	105,389
Thereafter	405,475
Total lease payments	$ 1,226,105
Less imputed interest	(146,562)
Total present value of lease liabilities	$ 1,079,543

Future minimum operating lease commitments as of June 30, 2022 are as follows:

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

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, 2023 and 2022:

	2023	2022
Cash	$ 3,668,509	$ 2,655,038
Receivables, current portion	441,450	345,793
Other receivables, current portion	61,422	61,422
Total financial assets available to meet general expenditures within one year	$ 4,171,381	$ 3,062,253

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. Net Assets

The Organization's board of directors and executive director has chosen to designate $2,000,000 and $1,482,469 for the fiscal years ended June 30, 2023 and 2022, respectively. The money is designated for the purchase of real estate.

Note 8. Reclassifications

Certain reclassifications have been made in the financial statements at June 30, 2022, 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 9. Subsequent Events

Management has evaluated subsequent events through September 14, 2023, the date at which the financial statements were available to be issued.

In July 2023, the Organization received notification from the Louisiana Department of Health that the Centers for Medicare and Medicaid Services (CMS) approved the State's plan to pay $300 per month Bonus Payments to staff members of Support Coordination Agencies (SCAs). The Organization received a total amount of $126,900 in July 2023.

SUPPLEMENTARY INFORMATION

CADENCE OF ACADIANA, INC.

SCHEDULES OF REVENUES AND EXPENSES
Years Ended June 30, 2023 and 2022

	2023					
	Program Services				Support Activities	
	Case Management			Total Case Management	General and Administrative	Total Program and support Services
	Region 2	Region 3	Region 4			
REVENUES	$ 629,126	$ 1,151,045	$ 3,900,309	$ 5,680,480	$ (605)	$ 5,679,875
EXPENSES	542,904	652,248	2,599,590	3,794,742	782,648	4,577,390
Income (loss) before depreciation	86,222	498,797	1,300,719	1,885,738	(783,253)	1,102,485
DEPRECIATION	20,274	5,337	26,253	51,864	-	51,864
NET INCOME (LOSS)	$ 65,948	$ 493,460	$ 1,274,466	$ 1,833,874	$ (783,253)	$ 1,050,621

	2022					
	Program Services				Support Activities	
	Case Management			Total Case Management	General and Administrative	Total Program and support Services
	Region 2	Region 3	Region 4			
REVENUES	$ 419,992	$ 738,585	$ 2,688,850	$ 3,847,427	$ (38,617)	$ 3,808,810
EXPENSES	369,879	458,288	2,213,705	3,041,872	481,197	3,523,069
Income (loss) before depreciation	50,113	280,297	475,145	805,555	(519,814)	285,741
DEPRECIATION	-	8,250	34,770	43,020	-	43,020
NET INCOME (LOSS)	$ 50,113	$ 272,047	$ 440,375	$ 762,535	$ (519,814)	$ 242,721