

**LOUISIANA GUARDIANSHIP  
SERVICES, INC.**

**FINANCIAL REPORT**

June 30, 2023 and 2022

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Louisiana Guardianship Services, Inc.

### **Opinion**

We have audited the accompanying financial statements of Louisiana Guardianship Services, Inc. (a nonprofit organization) (the Company), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Guardianship Services, 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Louisiana Guardianship Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 Louisiana Guardianship Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' 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 Louisiana Guardianship Services, 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 Louisiana Guardianship Services, 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.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to the Executive Director is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of Louisiana Guardianship Services, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Louisiana Guardianship Services, Inc.'s internal control over financial reporting and compliance.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
December 29, 2023

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 and 2022**

	<b>ASSETS</b>	
	<b>2023</b>	<b>2022</b>
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 106,085	\$ 150,356
Cash held in escrow for representative payees (Note 6)	1,318,494	582,958
Receivables:		
Contracts for services (Note 3)	116,503	62,740
Prepaid expenses	5,390	6,558
Total Current Assets	1,546,472	802,612
Assets restricted to investment in property, furniture, and equipment (Note 5)		
Cost, less accumulated depreciation	1,224	2,729
Operating Right-of-Use (ROU) Lease Asset	86,136	-
Other Assets	300	-
Security deposits	1,578	1,578
Total Assets	\$ 1,635,710	\$ 806,919
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and other accrued expenses	\$ 15,976	\$ 67
Accrued vested annual leave benefits (Note 2)	26,423	23,618
Funds held in escrow (Note 6)	1,318,494	582,958
Operating ROU Lease Liability - Current	23,951	-
Bank Line of Credit (Note 7)	12,860	-
Total Current Liabilities	1,397,704	606,643
Long-Term Liabilities		
Operating ROU Lease Liability - Noncurrent	59,813	-
Total Liabilities	1,457,517	606,643
<b>Net Assets</b>		
Without donor restrictions	178,193	200,276
Total Net Assets	178,193	200,276
Total Liabilities and Net Assets	\$ 1,635,710	\$ 806,919

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

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

	<u>2023</u> <u>Without Donor</u> <u>Restrictions</u>	<u>2022</u> <u>Without Donor</u> <u>Restrictions</u>
<b>Support and Revenues</b>		
Support		
Contract - Federal Government	\$ 150,025	\$ 97,634
Contract - State of Louisiana	414,830	414,830
Contract - Other	85,697	-
	<hr/>	<hr/>
Total Support	650,552	512,464
Revenues		
Interest income	425	145
Contributed non-financial assets	8,655	-
Other revenue	9,221	19,810
	<hr/>	<hr/>
Total Revenue	18,301	19,955
	<hr/>	<hr/>
Total Support and Revenues	668,853	532,419
<b>Expenses</b>		
Program services	664,698	505,139
Management and general	26,238	24,385
	<hr/>	<hr/>
Total Expenses	690,936	529,524
	<hr/>	<hr/>
<b>Increase (Decrease) in Net Assets</b>	(22,083)	2,895
Net Assets Beginning of Year	<hr/> 200,276	<hr/> 197,381
Net Assets End of Year	<hr/> <u>\$ 178,193</u>	<hr/> <u>\$ 200,276</u>

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

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows Provided By (Used In) Operating Activities</b>		
Change in net assets	\$ (22,083)	\$ 2,895
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,505	3,924
Noncash lease expense - operating leases	25,555	-
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(53,763)	10,982
(Increase) decrease in prepaid expenses	1,168	(4,396)
Increase in security deposits	(300)	-
Increase (decrease) in accounts payable	15,909	(786)
Increase in funds held in escrow	735,536	267,884
Increase in client advances	-	254
Increase in accrued vested annual leave benefits	2,805	3,539
Change in lease liability - operating leases	(27,927)	
Net cash provided by operating activities	678,405	284,296
<b>Cash Flows Provided By (Used In) Financing Activities</b>		
Proceeds from bank line of credit	73,770	34,983
Payments on bank line of credit	(60,910)	(64,285)
Net cash provided by (used in) financing activities	12,860	(29,302)
Net increase in cash, cash equivalents and cash held in escrow	691,265	254,994
Cash, cash equivalents and cash held in escrow at beginning of year	733,314	478,320
Cash, cash equivalents and cash held in escrow at end of year	\$ 1,424,579	\$ 733,314
<b>Supplemental data:</b>		
Interest paid	\$ 1,062	\$ 646
Operating ROU assets obtained in exchange for new operating lease liabilities	\$ 111,692	\$ -

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

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

	2023			2022		
	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL
Salaries	\$ 396,018	\$ 376,217	\$ 19,801	\$ 327,547	\$ 311,170	\$ 16,377
Accounting	21,001	21,001	-	15,914	15,914	-
Conferences/training	12,435	12,435	-	11,799	11,799	-
Dues and Subscriptions	1,558	1,558	-	2,889	2,889	-
Insurance						
General	14,604	14,604	-	21,244	21,244	-
Group	63,137	59,980	3,157	51,039	48,487	2,552
Depreciation	1,505	30	1,475	3,924	78	3,846
Interest expense	1,062	1,062	-	646	646	-
Miscellaneous	63,317	63,317	-	3,164	3,164	-
Occupancy (Note 8)	29,878	29,878	-	21,541	21,541	-
Office supplies	11,433	11,433	-	9,775	9,775	-
Payroll taxes	30,758	29,220	1,538	25,264	24,001	1,263
Pension (Note 9)	5,332	5,065	267	6,938	6,591	347
Postage	2,144	2,144	-	1,905	1,905	-
Printing and duplication	2,781	2,781	-	3,238	3,238	-
Telephone	7,117	7,117	-	11,904	11,904	-
Travel	26,856	26,856	-	10,793	10,793	-
	<u>\$ 690,936</u>	<u>\$ 664,698</u>	<u>\$ 26,238</u>	<u>\$ 529,524</u>	<u>\$ 505,139</u>	<u>\$ 24,385</u>

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

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

## NOTE 1 – NATURE OF ACTIVITIES

Louisiana Guardianship Services, Inc. (the Company) is a private non-profit corporation organized to: (1) act as curator or continuing tutor for the person, property, or both, of adults in Louisiana in need of full or limited interdiction or continuing tutorship; (2) act and be recognized as an agency under contract with the State of Louisiana and its political subdivisions or any department, office, agency, board or commission of either, to perform curatorship or continuing tutorship services for Louisiana citizens pursuant to Title 9, Section 1031 et. seq. of the Louisiana Revised Statutes, as amended; (3) advance continuing legal education for judges and attorneys who are involved in interdiction and continuing tutorship proceedings; and (4) identify the alternative agencies and existing resources within Louisiana which may meet the needs of Louisiana adults who are declined services by the corporation and to provide a system for referring such persons to these alternative agencies and resources.

Specific program objectives of LDH-OCDD (Louisiana Department of Health-Office for Citizens with Developmental Disabilities) are to protect the rights and interests of mentally incapacitated persons in Louisiana with no one to make decisions on their behalf. Louisiana Clinical Services, Inc. (LCS) has appointed the Louisiana Department of Health, Office for Citizens with Developmental Disabilities as LCS's manager to assist LCS in administering its obligations under the Agreement. In connection with these activities, the Company has a contract with LCS to provide the following services:

1. To provide a curator, a continuing tutor or services leading to curatorship ("guardianship services") for persons, property or both of adults with developmental disabilities in Louisiana who are in need of full or limited interdiction or continuing tutorship.
2. The Company will provide visits to the person at least monthly and make additional contacts as needed based on the person's needs and his Individual Habilitation Plan (IHP)/Plan of Support. Caseload sizes must not exceed 35 persons served per guardian.
3. The guardian will make decisions, based on what is in the person's best interest.
4. The Company will act as limited or full curator to provide services pending approval of curatorship for a minimum of 110 persons who have been approved for services by LCS and up to a maximum caseload of 35 persons per guardian.

Specific program objectives of GOEA (Governor's Office of Elderly Affairs) is to serve as an effective and visible advocate and curator with regards to the rights and roles of key stakeholders with elder rights, elder laws and elderly protection in Louisiana.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

## NOTE 1 – NATURE OF ACTIVITIES (CONTINUED)

Specific program objectives of LDH/OAAS (Louisiana Department of Health-Office of Aging and Adult Services and Adult Protective Services) are to protect the rights and interests of mentally incapacitated persons in Louisiana with no one to make decisions on their behalf. Louisiana Clinical Services, Inc. (LCS) has appointed the Louisiana Department of Health, Office of Aging and Adult Services, Adult Protective Services, as LCS's manager to assist LCS in administering its obligations under the Agreement. In connection with these activities, the Company has a contract with LCS to provide the following services:

1. Upon the issuances of Letters of Curatorship or Continuing Tutorship, the Company will act as limited of full curator or continuing tutor for the persons, property, or both of adults in Louisiana with disabilities who have been approved for services by LCS.
2. Upon approval by the Social Security Administration, Veterans Administration, or other benefit providing entity, the Company shall provide money management services for adults with disabilities found to be in protective services who have been approved for services by LCS.
3. For "curatorship or continuing tutorship services," the Company will provide visits to the person at least monthly. A staff curator will attend all plan of care meetings on behalf of the client, make all decisions (residential, medical, financial, treatment, etc.) as authorized in the court's judgment; monitor all care provided to the person; and provide a monthly report to Manager, and annual report to the court. (Depending on the interdict's financial situation and the court order in regard to handling finances, some of the duties listed below may apply.)
4. For "money management" services, client will agree to have Social Security or SSI benefits directly deposited into the Company's pooled client account, and agree to have all bills and expenses mailed to the Company's business address. The Company will pay client bills, as finances permit, with the Company's pooled client account Money Management Program checks and provide the client with appropriate spending allowances, as finances permit. The Company will stay in regular contact with other agencies' social workers assisting the client, who will bring emergency and extraordinary needs to the Company's attention.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recorded when incurred.

**Basis of Presentation** - The financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Company to report information regarding its financial position and activities according to the following net asset classifications:

## LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives at the Company. These net assets may be used at the discretion of the Company's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions are temporary in nature; those restrictions will be met by actions of the Company or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. As of June 30, 2023, and 2022, respectively, the Company did not have any donor restricted contributions or donor restricted assets.

**Cash, cash equivalents and cash held in escrow** - For purposes of the statements of cash flows, the Company considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash held in escrow for representative payees is comprised of funds received through various retirement systems and the Social Security Administration, and is used to pay expenses for individuals in the program, see NOTE 6.

**Receivables** – Amounts expected to be collected within one year derived from federal and state contracts. Receivables are written off when deemed uncollectible which is not significantly different from the allowance method. At June 30, 2023 and 2022, management has deemed that no allowance for uncollectible amounts is necessary.

**Fixed assets** - All expenditures for leasehold improvements and equipment are capitalized.

Depreciation on leasehold improvements is provided by using the straight-line method over the estimated life of 10 years. Depreciation on equipment is provided by using the straight-line and the declining-balance method over the estimated useful lives of 5 to 7 years.

**Functional expenses** – The financial statements report certain categories of expenses that are attributable to one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include insurance, which is allocated by group covered, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Income taxes** - The Company is a non-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code of 1986, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is exempt from Louisiana income tax under the authority of R.S. 47:121(5).

The Company recognizes the financial impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of June 30, 2023, the Company did not have any uncertain tax positions. Tax years ended June 30, 2020 and later remain subject to examination by taxing authorities.

**Use of estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Vested Annual Leave Benefits** - Employees are entitled to paid vacations after six months of employment. Vacation time in excess of 160 hours cannot be accrued. Terminated employees will be paid for unused vacation leave if employed in excess of six months.

Vested annual leave benefits are accrued and recorded as a liability when such compensated absences become non-forfeitable. These amounts are not charged as program expenses of Federal government grants or agency contracts, and are treated as non-allowed costs, until they are paid. At June 30, 2023 and 2022, accrued vested annual leave benefits was \$26,423 and \$23,618, respectively.

Sick leave accrues at eight hours per month, or ninety-six hours per year. There is no maximum accumulated sick leave. Sick leave does not vest with the employee and, therefore, is forfeited upon termination.

### **Contributed Nonfinancial Assets**

For the year ended June 30, 2022, the Company adopted Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities and changes in net assets, apart from contributions of cash or other financial assets.

Louisiana Guardianship Services utilize various software suites to carry out the Company's objectives, which were donated to the Company during the fiscal year by board members. No payments for the software suite renewals were made by the Company. The amount of \$8,655 has been recognized in the accompanying Statement of Activities and Changes in Net Assets as contributed non-financial assets and a program expense under FASB ASC 958. The amount of support is estimated by using the fair value of the assets contributed.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **New Accounting Pronouncements (Continued)**

For the year ended June 30, 2023, the Company adopted Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). Under this accounting standard, lessees are required to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability is equal to the present value of lease payments. The asset is based on the liability, subject to certain adjustments, such as for initial direct costs. For income statement purposes, a dual model was retained, requiring leases to be classified as either operating or financing leases.

Operating leases result in straight-line expense (similar to operating leases under the prior accounting standard), while financing leases result in a front-loaded expense pattern (similar to capital leases under the prior accounting standard).

The Company adopted this new accounting standard on July 1, 2022 on a modified retrospective basis and applied the standard to all leases. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which includes, among other things, the ability to carry forward the existing lease classification. No adjustment to beginning net assets was required upon implementation. The new standard had a material impact on the Company's balance sheet, but did not materially impact the Company's operating results and had no impact on the Company's cash flows.

### **Operating Right-of-Use Assets and Lease Liabilities**

The Company determines if an arrangement contains a lease at the inception of a contract. Operating right-of-use (ROU) assets represent the Company's right to use an underlying asset for the lease term and operating ROU lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating ROU assets and lease liabilities are recognized at the commencement date of the lease, renewal date of the lease or significant remodeling of the lease space based on the present value of the remaining future minimum lease payments. As the interest rate implicit in the Company's operating leases is not readily determinable, the Company utilizes an incremental borrowing rate, determined by management, to discount the operating lease payments.

The Company's real estate lease contains options that permit renewals for additional periods of up to 2 years. For real estate leases, the options to extend are considered reasonably certain to be exercised at lease commencement because the Company has occupied the space for many years and it is not economically feasible for them to relocate. Generally, the renewal option periods are included within the lease term and the associated payments are included in the measurement of the right-of-use asset and lease liability.

Leases with an initial term of 12 months or less are not recorded on the balance sheet, and lease expense is recognized on a straight-line basis over the term of the short-term lease. For real estate leases, the Company accounts for lease components and non-lease components as a single lease component.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue from Contracts with Customers

The Company earns revenue from contracts with the Louisiana Clinical Services (OCDD) and Louisiana Clinical Services (OAAS) to provide guardian/curatorship services to program individuals. Louisiana Clinical Services (OCDD) and Louisiana Clinical Services (OAAS) pays the Company a fixed monthly fee for the services. Additionally, the Company receives revenue from contracts with clients to provide legal services determined by the court system. The performance obligations are met when guardianship services (curatorship, as described in Note 1) are provided based on the contract. These performance obligations are measured through monthly reporting. Invoices are submitted monthly for services rendered and earned in the prior month.

The Company also earns revenue from contracts with the Governor’s Office of Elderly Affairs that is based on a fixed monthly fee for the services. The performance obligation is to provide guardianship services (curatorship, as described in Note 1) which are measured through monthly service reports. Invoices are submitted monthly for services rendered and earned in the prior month.

## NOTE 3 – CONTRACTS FOR SERVICES RECEIVABLE

The Company has the following contracts for services receivable at June 30, 2023 and 2022. Contracts for services receivable totaled \$73,722 at June 30, 2021.

	<u>2023</u>	<u>2022</u>
State of Louisiana Office for Citizens With Developmental Disabilities	\$ 45,600	\$ 22,800
State of Louisiana Department of Health and Hospitals, Office of Aging and Adult Services	35,308	11,770
State of Louisiana Governor’s Office of Elderly Affairs	<u>35,595</u>	<u>28,170</u>
	<u>\$ 116,503</u>	<u>\$ 62,740</u>

## NOTE 4 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the date of the statements of financial position comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 106,085	\$ 150,356
Contracts for services receivables	<u>116,503</u>	<u>62,740</u>
	<u>\$ 222,588</u>	<u>\$ 213,096</u>

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

## NOTE 4 – LIQUIDITY AND AVAILABILITY (CONTINUED)

As part of the Company’s liquidity management plan, they invest in short-term certificate of deposits. In addition, the Company maintains a line of credit in the amount of \$30,000.

## NOTE 5 – PROPERTY, FURNITURE, AND EQUIPMENT

Property, furniture, and equipment represent acquisitions of tangible personal property by funds provided to the Company by a Federal government grant, a contract for services by an agency funded by the State of Louisiana, or by unrestricted funds.

The U.S. Department of Health and Human Services (DHHS), and the State of Louisiana retain an equitable interest in these capital assets which must be used for the specified program for which they were acquired. DHHS and the State of Louisiana retain the right to require transfer of the assets back to the Federal or State governments, but this is normally exercised only if the program for which the assets were acquired would be transferred from one grantee to another.

Property, furniture, and equipment consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Property, furniture and equipment	\$ 57,172	\$ 57,172
Less: accumulated depreciation	<u>(55,948)</u>	<u>(54,443)</u>
Net book value	<u>\$ 1,224</u>	<u>\$ 2,729</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$1,505 and \$3,924 respectively.

## NOTE 6 – FUNDS HELD IN ESCROW

This balance represents funds held in separate Louisiana Guardianship Services, Inc. bank accounts for the client trust accounts. Deposits are made to these accounts of the clients’ personal funds (social security, etc.) and disbursements are drawn from these accounts for the clients’ living expenses. The funds in the bank accounts are the property of the client and totaled \$1,318,494 and \$582,958 at June 30, 2023 and 2022, respectively.

## NOTE 7 – BANK LINE OF CREDIT

The Company has an unsecured bank line of credit which provides short-term borrowings up to \$30,000. At June 30, 2023 and 2022, interest and principal on advances are payable monthly at an interest rate of 6.25%. The outstanding balance was \$12,860 and \$0 as of June 30, 2023 and 2022, respectively.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

## NOTE 8 – LEASE COMMITMENTS

The Company adopted ASU 2016-02, Leases (Topic 842) (“ASC 842”) on July 1, 2022 on a modified retrospective basis. As a result, the Company’s lease disclosures as of the year ended June 30, 2023 are reported under ASC 842.

The Company leases office space for their main office in Metairie, Louisiana under a non-cancelable agreement accounted for as an operating lease during the year ended June 30, 2023. The lease was set to expire August 31, 2022. However, the lease agreement was amended to extend the lease term until August 31, 2024. Additionally, the lease agreement was amended to increase the monthly rental payment from \$1,780 to \$2,373 per month; effective October 15, 2022. The lease contains an option to automatically renew for a 2-year period at the conclusion of the initial term. This option is included in the related operating lease liability and operating lease right of use asset.

The following table is a summary of the components of net lease costs for the year ended June 30, 2023:

Operating lease costs	\$	28,476
Variable lease costs		-
Total lease costs	\$	<u>28,476</u>

Supplemental cash flow information related to the lease for year ended June 30, 2023 is as follows:

Cash paid for amounts included in the measurement of lease liability:

Operating cash flows paid for operating lease	\$	27,927
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Operating ROU asset obtained in exchange for lease liability:

Operating lease	\$	111,692
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Supplemental balance sheet information related to the lease as of June 30, 2023 is as follows:

Operating lease:

Operating lease ROU asset	\$	86,136
Current portion of operating ROU lease liability	\$	23,951
Long-term operating ROU lease liability		<u>59,813</u>

Total operating ROU lease liability	\$	<u>83,764</u>
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Weighted average remaining lease term (in months):

Operating lease	38.00
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Weighted average discount rate:

Operating lease	3.00%
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## LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

### NOTE 8 – LEASE COMMITMENTS (CONTINUED)

The following table summarizes the maturity of lease liabilities under an operating lease as of June 30, 2023:

	Total
2023 – 2024	\$ 26,104
2024 – 2025	28,476
2025 – 2026	28,476
2026 – 2027	<u>4,746</u>
Total lease payments	87,802
Less: imputed interest	<u>(4,038)</u>
Total ROU lease liability	<u>\$ 83,764</u>

Rent expense incurred under this lease was \$ 26,104 and \$ 21,360 for the years ended June 30, 2023 and 2022, respectively. The Company prepaid one month of rent in the amount of \$2,372 at June 30, 2023, thus reducing the current portion of the operating ROU lease liability by this amount.

### NOTE 9 – EMPLOYEE PENSION PLAN

The Company adopted a Simple IRA plan that is available to all eligible employees. The Company has elected to match employee contributions up to 3% for 2023 – 2024 compensation for each participating employee. The Company's obligation for contributions to the plan as of June 30, 2023 and 2022 was \$5,332 and \$6,938, respectively, which consisted entirely of the Company's employer matching contribution.

### NOTE 10 – CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES

The Company maintains its cash and cash equivalents in financial institutions in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The cash balances, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Company receives contracts for services from government agencies, which comprises the majority of its revenues.

### NOTE 11 – LITIGATION AND CLAIMS

There is no pending litigation against the Company at June 30, 2023. Furthermore, the Company's management believes that any potential lawsuits would be adequately covered by insurance.

## **LOUISIANA GUARDIANSHIP SERVICES, INC.**

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2023 and 2022

### **NOTE 12 – BOARD OF DIRECTORS' COMPENSATION**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

### **NOTE 13 – SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 29, 2023, which is the date the financial statements were available to be issued and determined no event occurred that required accrual or disclosure.

**SUPPLEMENTAL INFORMATION**

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
Schedule of Compensation, Benefits, And Other  
Payments to The Executive Director  
For The Year Ended June 30, 2023

**AGENCY HEAD NAME: Jason D. Asbill, Executive Director**

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 103,751
Benefits - insurance	4,554
Travel – field	<u>1,990</u>
Total	<u>\$ 110,295</u>

**SPECIAL REPORTS OF INDEPENDENT AUDITOR**

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,  
Louisiana Guardianship Services, Inc.

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 Louisiana Guardianship Services, Inc.(the Company)(a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Company'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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company'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 Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Kushner LaGraize. L.L.C.*

Metairie, Louisiana  
December 29, 2023

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**SCHEDULE OF FINDINGS**  
For The Year Ended June 30, 2023

**SECTION I – SUMMARY OF AUDITORS’ REPORTS**

**Financial Statements**

Type of auditors’ report issued: Unmodified

Internal control over financial reporting

Material Weakness(es) identified? \_\_\_\_\_ Yes     X  No

Significant deficiency(ies) identified  
that are not considered to be material weakness    \_\_\_\_\_ Yes     X  None reported

Noncompliance material to the financial  
statements noted? \_\_\_\_\_ Yes     X  No

**Federal Awards**

Louisiana Guardianship Services, Inc. did not receive federal awards in excess of \$750,000 during the year ended June 30, 2023 and, therefore, is exempt from the audit requirements under the Single Audit Act and Uniform Guidance.

**SECTION II – INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS MATERIAL TO THE BASIC FINANCIAL STATEMENTS**

**Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended June 30, 2023 related to internal control over financial reporting.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit of the financial statements for the year ended June 30, 2023.

**SECTION III – FEDERAL AWARD FINDINGS**

Not Applicable

**SPECIAL REPORTS OF MANAGEMENT**

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**SUMMARY SCHEDULE OF PRIOR YEAR'S FINDINGS**  
For the Year Ended June 30, 2023

**SECTION I – INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS TO THE BASIC FINANCIAL STATEMENTS**

**Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended June 30, 2022 related to internal control over financial reporting.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit of the financial statements for the year ended June 30, 2022.

**SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

The Company did not receive federal awards in excess of \$750,000 for the year ended June 30, 2022, and therefore, this is not applicable.

**SECTION III – MANAGEMENT LETTER**

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2022.