

**LOUISIANA GUARDIANSHIP  
SERVICES, INC.**

**FINANCIAL REPORT**

June 30, 2025 and 2024

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

To the Board of Directors  
Louisiana Guardianship Services, Inc.

### **Report on the Audit of the Financial Statements**

#### ***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, 2025 and 2024, and the related statements of activities and changes in net assets, cash flows for the years then ended, and functional expenses, 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, 2025 and 2024, 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.

#### ***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 23, 2025 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 23, 2025

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 and 2024**

**ASSETS**

	<b>2025</b>	<b>2024</b>
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 133,467	\$ 67,596
Cash held in escrow for representative payees (Note 6)	809,837	2,107,464
Receivables:		
Contracts for services (Note 3)	38,642	71,733
Other receivables	-	1,404
	981,946	2,248,197
Assets restricted to investment in property, furniture, and equipment cost, less accumulated depreciation (Note 5)	-	339
Operating right-of-use (ROU) lease asset (Note 8)	26,270	59,813
Security deposits	1,878	1,878
	\$ 1,010,094	\$ 2,310,227

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts payable and other accrued expenses	\$ 10,529	\$ 4,159
Accrued vested annual leave benefits (Note 2)	-	23,826
Funds held in escrow (Note 6)	809,837	2,107,464
Operating ROU lease liability - current (Note 8)	16,478	24,752
Bank line of credit (Note 7)	5,540	4,751
	842,384	2,164,952
Long-term liabilities		
Operating ROU lease liability - noncurrent (Note 8)	2,808	32,689
Deferred revenue	138,592	-
Total Liabilities	983,784	2,197,641
<b>Net Assets</b>		
Without donor restrictions	26,310	112,586
Total Net Assets	26,310	112,586
Total Liabilities and Net Assets	\$ 1,010,094	\$ 2,310,227

*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, 2025 and 2024**

	2025 Without Donor Restrictions	2024 Without Donor Restrictions
	<u>                    </u>	<u>                    </u>
<b>Support and Revenues</b>		
Support		
Contract - Federal Government	\$ 64,835	\$ 149,530
Contract - State of Louisiana	353,700	353,700
Contract - Other	<u>128,017</u>	<u>83,971</u>
Total Support	546,552	587,201
Revenues		
Interest income	2,568	1,359
Fundraising income	9,093	-
Contributed non-financial assets	9,912	8,438
Other revenue	<u>7,885</u>	<u>20,000</u>
Total Revenues	<u>29,458</u>	<u>29,797</u>
Total Support and Revenues	576,010	616,998
<b>Expenses</b>		
Program services	636,261	655,766
Management and general	26,025	25,952
Fundraising	<u>-</u>	<u>887</u>
Total Expenses	<u>662,286</u>	<u>682,605</u>
<b>Change in Net Assets</b>	(86,276)	(65,607)
Net Assets - Beginning of Year	<u>112,586</u>	<u>178,193</u>
Net Assets - End of Year	<u><u>\$ 26,310</u></u>	<u><u>\$ 112,586</u></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, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows Provided By (Used In) Operating Activities</b>		
Change in net assets	\$ (86,276)	\$ (65,607)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	339	885
(Gain)/Loss on lease modification	(6,984)	-
Noncash lease expense - operating leases	19,973	26,323
Changes in operating assets and liabilities:		
Decrease in receivables	34,495	43,366
(Increase) decrease in prepaid expenses	-	5,390
Increase (decrease) in accounts payable	6,370	(11,817)
Increase (decrease) in funds held in escrow	(1,297,627)	788,970
(Decrease) in accrued vested annual leave benefits	(23,826)	(2,597)
Increase in deferred revenue	138,592	-
Change in lease liability - operating leases	(17,601)	(26,323)
Net cash provided by (used in) operating activities	(1,232,545)	758,590
<b>Cash Flows Provided By (Used In) Financing Activities</b>		
Proceeds from bank line of credit	62,969	33,805
Payments on bank line of credit	(62,180)	(41,914)
Net cash provided by (used in) financing activities	789	(8,109)
Net change in cash, cash equivalents and cash held in escrow	(1,231,756)	750,481
Cash, cash equivalents and cash held in escrow at beginning of year	2,175,060	1,424,579
Cash, cash equivalents and cash held in escrow at end of year	\$ 943,304	\$ 2,175,060
<b>Supplemental data:</b>		
Interest paid	\$ 1,828	\$ 1,215
Change in ROU lease liability and asset due to lease modification	\$ (20,554)	\$ -

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2025 and 2024**

	2025				2024			
	Total	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising
Salaries	\$ 411,057	\$ 390,504	\$ 20,553	\$ -	\$ 403,956	\$ 383,758	\$ 20,198	\$ -
Accounting	23,521	23,521	-	-	16,379	16,379	-	-
Advertising	193	193	-	-	1,152	1,152	-	-
Conferences/training	14,755	14,755	-	-	10,589	10,589	-	-
Dues and subscriptions	11,907	11,907	-	-	7,703	7,703	-	-
Depreciation	339	7	332	-	885	18	867	-
Fundraising		-	-	-	887	-	-	887
Insurance								
General	15,824	15,824	-	-	15,613	15,613	-	-
Group	63,176	60,017	3,159	-	59,797	56,807	2,990	-
Interest expense	1,828	1,828	-	-	1,215	1,215	-	-
Miscellaneous	19,975	19,975	-	-	55,323	55,323	-	-
Occupancy (Note 8)	18,395	18,395	-	-	28,477	28,477	-	-
Office supplies	4,825	4,825	-	-	7,631	7,631	-	-
Payroll taxes	30,101	28,596	1,505	-	28,863	27,420	1,443	-
Pension (Note 9)	9,513	9,037	476	-	9,075	8,621	454	-
Postage	2,288	2,288	-	-	1,973	1,973	-	-
Printing and duplication	765	765	-	-	374	374	-	-
Telephone	7,144	7,144	-	-	6,855	6,855	-	-
Travel	26,680	26,680	-	-	25,858	25,858	-	-
	<u>\$ 662,286</u>	<u>\$ 636,261</u>	<u>\$ 26,025</u>	<u>\$ -</u>	<u>\$ 682,605</u>	<u>\$ 655,766</u>	<u>\$ 25,952</u>	<u>\$ 887</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, 2025 and 2024

## NOTE 1 – NATURE OF ACTIVITIES

Louisiana Guardianship Services, Inc. (the Company) which, according to its Articles of Incorporation, 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; (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; and (5) exercise all rights and powers conferred on non-profit corporations under the laws of Louisiana, and to perform any act incidental and necessary to the corporation's objects and purposes, including but not limited to the right to own, lease, acquire, encumber, sell or dispose of real or personal property, raise money by any appropriate activity, accept donations and make donations to other organizations exempt under Section 501(c)(3) of the Internal Revenue Code, whenever, in the opinion of the corporation's board of directors, said donations will foster the corporation's purposes.

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 quarterly 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) are to provide curatorship services to the most vulnerable seniors in Louisiana.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

## 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 or 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 need of 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.

While the Company has always benefited from offering services on a private pay basis, the Board of Directors underwent a strategic planning process. The adopted plan anticipated significant increases in private pay revenues by increasing the Company's breadth and depth of services. Additional objectives of the services include:

1. LGSi is eligible to serve as court-appointed curator/guardian for adults who lack the capacity to make their own decisions. Mirroring its guardianship services provided under the contracts with LCS/LDH, LGSi also accepts and serves on a private-pay basis for those with means who require guardianship services. These services are provided based upon the fee schedule approved by the Board of Directors and as authorized by court order.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

## NOTE 1 – NATURE OF ACTIVITIES (CONTINUED)

2. The Company provides money management and representative payee services on a private pay basis. Like its services provided under contract with LCS/LDH, as representative payee, the Company can be a trusted and responsible payee for public benefit programs such as social security payments. The Company provides all accounting and reporting to social security and assists in budgeting and bill payment. The Company can also be the payee for other benefits like annuities, retirement benefits, and long-term care benefits to help manage finances. These services are provided based upon the fee schedule approved by the Board of Directors and agreed to by a service agreement with the individual client.
3. The Company serves as agent under powers of attorney for individuals who have capacity to grant a POA but need assistance managing their affairs. The Company also serves as trustee for standalone trusts established for beneficiaries of any type. Our team of curators and attorneys have a vast understanding of care plans, trust & estate law, and public benefits to ensure affairs and Trusts are managed efficiently and within the bounds of the law. These services are provided based upon the fee schedule approved by the Board of Directors and agreed to by a service agreement with the individual client.
4. In August 2024, the Company established the Louisiana Guardianship Services Disability Pooled Trust, a pooled special needs trust designed to help individuals with disabilities manage their excess financial resources while maintaining eligibility for government benefits such as Medicaid and Supplemental Security Income (SSI). Managed by LGSI, the trust allows individuals to pool their resources for investment purposes while still retaining individual accounts. This structure provides cost-effective management of funds, which can be used to enhance the quality of life for beneficiaries by covering expenses not covered by public benefits, such as personal care services, transportation, and recreational activities. This is the first and only pooled trust established in Louisiana. These services are provided based upon the fee schedule approved by the Board of Directors and agreed to by a service agreement with the individual beneficiary.

## 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:

**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.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

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

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor 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 and changes in net assets. As of June 30, 2025, and 2024, 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, 2025 and 2024, 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 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.

**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 not be sustained upon examination. As of June 30, 2025 and June 30, 2024, the Company did not have any uncertain tax positions. Tax years ended June 30, 2022 and later remain subject to examination by taxing authorities.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

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

**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.

Effective January 1, 2025, the Company implemented an unlimited leave policy which allows employees unlimited leave throughout the year and no related liability is recorded. All balances from the prior year and the current year through December 31, 2024 have been fully paid out. At June 30, 2025 and 2024, accrued vested annual leave benefits were \$0 and \$23,826, respectively. As the amount accrued at June 30, 2024, was settled (paid) and not reversed, there is no adjustment necessary to beginning net assets.

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, 2023, 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 amounts of \$9,912 and \$8,438, for 2025 and 2024, respectively, have been recognized in the accompanying statements of activities and changes in net assets as contributed non-financial assets and program expenses under FASB ASC 958. The amount of support is estimated by using the fair value of the assets contributed.

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

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.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

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

### **Operating Right-of-Use Assets and Lease Liabilities (Continued)**

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 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.

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.

Effective August 31, 2024, the Company's real estate lease was renewed and modified resulting in lower monthly lease payments and less space. The Company's real estate lease does not contain options that permit renewals for additional periods.

### **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.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

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

### Revenue from Contracts with Customers (Continued)

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

	<u>2025</u>	<u>2024</u>
State of Louisiana Office for Citizens With Developmental Disabilities	\$ 22,800	\$ 22,800
State of Louisiana Department of Health and Hospitals, Office of Aging and Adult Services	6,675	13,350
State of Louisiana Governor’s Office of Elderly Affairs	<u>9,167</u>	<u>35,583</u>
	<u>\$ 38,642</u>	<u>\$ 71,733</u>

The Company has the following contracts for services receivable at June 30, 2025 and 2024. Contracts for services receivable totaled \$116,503 at June 30, 2023.

## 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>2025</u>	<u>2024</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 133,467	\$ 67,596
Contracts for services receivable	<u>38,642</u>	<u>71,733</u>
	<u>\$ 172,109</u>	<u>\$ 139,329</u>

As part of the Company’s liquidity management plan, the Company maintains a line of credit in the amount of \$30,000.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

## 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Property, furniture and equipment	\$ 57,172	\$ 57,172
Less: accumulated depreciation	<u>(57,172)</u>	<u>(56,833)</u>
Net book value	<u>\$ -</u>	<u>\$ 339</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$339 and \$885, 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 \$809,837 and \$2,107,464 at June 30, 2025 and 2024, 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, 2025 and 2024, interest and principal on advances are payable monthly at an interest rate of 11.5%. The outstanding balance was \$5,540 and \$4,751 as of June 30, 2025 and 2024, respectively.

## NOTE 8 – LEASE COMMITMENTS

The Company adopted ASU 2016-02, Leases (Topic 842) ("ASC 842") on July 1, 2023 on a modified retrospective basis. As a result, the Company's lease disclosures as of the years ended June 30, 2025 and 2024 are reported under ASC 842.

# LOUISIANA GUARDIANSHIP SERVICES, INC.

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

## NOTE 8 – LEASE COMMITMENTS (CONTINUED)

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 years ended June 30, 2025 and 2024. The lease was set to expire August 31, 2022. However, the lease agreement was amended to extend the lease term until August 31, 2026. Additionally, the lease agreement was amended to decrease the monthly rental payment from \$2,373 to \$1,365 per month; effective August 31, 2024 through September 1, 2025. Monthly rental payments will increase from \$1,365 per month to \$1,406 per month beginning September 1, 2025 through August 31, 2026. The lease does not contain an option to renew.

The following table is a summary of the components of net lease costs for the years ended June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Operating lease costs	\$ 22,788	\$ 28,476
Variable lease costs	-	-
Total lease costs	\$ 22,788	\$ 28,476

Supplemental cash flow information related to the lease for years ended June 30, 2025 and 2024 is as follows:

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

Operating cash flows paid for operating lease	\$ 19,973	\$ 26,323
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Supplemental statements of financial position information related to the lease as of June 30, 2025 and 2024 is as follows:

Operating lease:

Operating lease ROU asset	\$ 26,270	\$ 59,813
Current portion of operating ROU lease liability	16,478	24,752
Long-term operating ROU lease liability	2,808	32,689
	\$ 19,286	\$ 57,441

Weighted average remaining lease term (in months):

Operating lease	14.00	26.00
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Weighted average discount rate:

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

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

## NOTE 8 – LEASE COMMITMENTS (CONTINUED)

The following table summarizes the maturity of lease liabilities under an operating lease as of June 30, 2025:

	<b>Total</b>
2025 – 2026	\$ 16,790
2026 – 2027	2,812
Total lease payments	19,602
Less: imputed interest	(316)
Total ROU lease liability	<u>\$ 19,286</u>

Rent expense incurred under this lease was \$18,395 and \$28,477 for the years ended June 30, 2025 and 2024, respectively.

## 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 2025 compensation for each participating employee. The Company's obligation for contributions to the plan as of June 30, 2025 and 2024 was \$9,513 and \$9,075, 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

Although there is ongoing litigation against the Company as of June 30, 2025, the potential impact and outcome are unknown at this time as the lawsuit is still in the early stages of discovery. The Company will continue to monitor the status of the lawsuit to determine whether any accrual is appropriate. There was no pending litigation against the Company as of June 30, 2024. Furthermore, the Company's management believes that any potential lawsuits would be adequately covered by insurance at this time.

# **LOUISIANA GUARDIANSHIP SERVICES, INC.**

Notes to Financial Statements - Continued  
For the Years Ended June 30, 2025 and 2024

## **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 23, 2025, 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, 2025

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

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 95,000
Benefits - insurance	11,270
Benefits - retirement	3,069
Travel – field	<u>2,656</u>
Total	<u>\$ 111,995</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, 2025, and the related statements of activities and changes in net assets, cash flows for the year then ended, functional expenses, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2025.

**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 23, 2025

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**SCHEDULE OF FINDINGS**  
For The Year Ended June 30, 2025

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

**Financial Statements**

Type of auditors’ report issued: Unmodified

Internal control over financial reporting

Material Weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiency(ies) identified that are not considered to be material weakness	_____	Yes	<u>  X  </u>	None reported
Noncompliance material to the financial statements noted?	_____	Yes	<u>  X  </u>	No

**Federal Awards**

Louisiana Guardianship Services, Inc. did not receive federal awards in excess of \$750,000 during the year ended June 30, 2025 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**

None reported.

**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, 2025

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

2024-001 – Segregation of Duties – Resolved

**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, 2024, and therefore, this is not applicable.

**SECTION III – MANAGEMENT LETTER**

None reported.