

**LOUISIANA GUARDIANSHIP  
SERVICES, INC.**

**FINANCIAL REPORT**

**JUNE 30, 2017 AND 2016**

**LOUISIANA GUARDIANSHIP SERVICES, INC.**

**TABLE OF CONTENTS**

**JUNE 30, 2017 AND 2016**

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3
STATEMENTS OF CASH FLOWS	4 - 5
STATEMENTS OF FUNCTIONAL EXPENSES	6
NOTES TO FINANCIAL STATEMENTS	7 - 12
<u>SUPPLEMENTAL INFORMATION</u>	
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE EXECUTIVE DIRECTOR	13
<u>SPECIAL REPORTS OF INDEPENDENT AUDITOR</u>	
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	14 - 15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	16
<u>SPECIAL REPORTS OF MANAGEMENT</u>	
SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS AND QUESTIONED COSTS	17
MANAGEMENT CORRECTIVE ACTION PLAN	18

***Reginald A. Bresette, III***  
***Limited Liability Company***

***Reginald A. Bresette, III, CPA***

Member  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Louisiana Guardianship Services, Inc.

**Report on the Financial Statements**

I have audited the accompanying financial statements of Louisiana Guardianship Services, Inc. (a non-profit organization) (the Organization) which comprise the statements of financial position as of June 30, 2017 and 2016 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

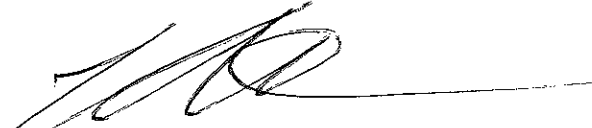
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Guardianship Services, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

My 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 on page 13 is presented for the 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, I have also issued my report dated November 30, 2017 on my consideration of Louisiana Guardianship Services, Inc.'s internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.



Reginald A. Bresette III, LLC  
Certified Public Accountant  
November 30, 2017

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**(A Not For Profit Organization)**  
**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2017 and 2016**

	<u><b>ASSETS</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Current Assets</b>			
Cash and cash equivalents		\$ 217,297	\$ 228,004
Cash held in escrow for representative payees		594,631	559,014
Receivables:			
Grants (Note 3)		108,679	80,733
Prepaid rent		1,780	1,780
Total Current Assets		<u>922,387</u>	<u>869,531</u>
 Assets restricted to investment in property, furniture, and equipment (Note 4)			
Cost, less accumulated depreciation		18,816	23,454
Security deposits		<u>1,578</u>	<u>1,578</u>
 Total Assets		<u><u>\$ 942,781</u></u>	<u><u>\$ 894,563</u></u>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts Payable	\$ 4,589	\$ -
Accrued vested annual leave benefits	18,922	18,995
Funds held in escrow (Note 5)	594,631	559,014
Bank Line of Credit (Note 6)	<u>616</u>	<u>-</u>
 Total Liabilities	<u>618,758</u>	<u>578,009</u>

**Net Assets**

Unrestricted	<u>324,023</u>	<u>316,554</u>
 Total Net Assets	<u>324,023</u>	<u>316,554</u>
 Total Liabilities and Net Assets	<u><u>\$ 942,781</u></u>	<u><u>\$ 894,563</u></u>

**The accompanying notes are an integral part of this statement**

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**(A Not For Profit Organization)**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEARS ENDED JUNE 30, 2017 and 2016**

	<u>2017</u>			<u>2016</u>		
<b>Support, Revenues and Reclassifications</b>						
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support						
Grant - Federal Government	\$ 68,518		\$ 68,518	\$ 68,518		\$ 68,518
Grant - State of Louisiana	414,830		414,830	450,137		450,137
Total Support	483,348		483,348	518,655		518,655
Revenues						
Interest income	1,195		1,195	721		721
Other revenue	10,699		10,699	11,199		11,199
Total Revenue	11,894		11,894	11,920		11,920
Reclassifications						
Net assets released from restrictions						
Expiration of purpose restrictions						
Total Reclassifications						
Total Support, Revenues and Reclassifications	495,242		495,242	530,575		530,575
Expenses						
Program services	463,823		463,823	427,944		427,944
Management and general	23,950		23,950	24,114		24,114
Total Expenses	487,773		487,773	452,058		452,058
Increase (Decrease) in Net Assets	7,469		7,469	78,517		78,517
Beginning of year	316,554		316,554	238,037		238,037
End of year	\$ 324,023		\$ 324,023	\$ 316,554		\$ 316,554

The accompanying notes are an integral part of this statement

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**(A Not For Profit Organization)**  
**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities:</b>		
Cash received from the State of Louisiana	\$ 386,884	\$ 424,936
Cash received from the Federal Government	68,518	68,224
Interest income	1,195	721
Other revenue	10,699	11,199
Salaries	(295,792)	(275,154)
Fringe benefits	(70,398)	(59,883)
Travel	(25,145)	(26,805)
Office expense	(5,363)	(5,043)
Accounting	(12,034)	(12,552)
Dues and subscriptions	(1,996)	(1,518)
Printing and duplication	(3,034)	(3,481)
Conferences and training	(16,697)	(7,697)
Insurance	(9,814)	(13,067)
Legal	(887)	-
Occupancy	(21,999)	(22,524)
Postage	(3,603)	(2,677)
Telephone	(8,974)	(13,018)
Administrative cost	(2,883)	(2,216)
Net cash provided (used) by operating activities	<u>(11,323)</u>	<u>59,445</u>
<b>Cash flows from investing activities:</b>		
Acquisition of fixed assets	<u>-</u>	<u>(4,864)</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>(4,864)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from bank line of credit	29,116	-
Payments on bank line of credit	(28,500)	-
Net cash provided (used) by financing activities	<u>616</u>	<u>-</u>
Net increase (decrease) in cash	(10,707)	54,581
Cash at beginning of year	<u>228,004</u>	<u>173,423</u>
Cash at end of year	<u><u>\$ 217,297</u></u>	<u><u>\$ 228,004</u></u>

The accompanying notes are an integral part of this statement

LOUISIANA GUARDIANSHIP SERVICES, INC.  
(A Not For Profit Organization)  
STATEMENTS OF CASE FLOWS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>Reconciliation of change in net assets to net cash provided (used) by operating activities:</b>		
Change in net assets	\$ 7,469	\$ 78,517
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,638	4,994
(Increase) Decrease in receivables	(27,946)	(25,494)
Increase (Decrease) in accounts payable	4,589	-
Increase (Decrease) in vested annual leave benefits	<u>(73)</u>	<u>1,428</u>
Net cash provided (used) by operating activities	<u>\$ (11,323)</u>	<u>\$ 59,445</u>
<b>Supplemental data:</b>		
Interest paid	<u>\$ 224</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement



**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**(A Not For Profit Organization)**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

**FOR THE YEARS ENDED JUNE 30, 2017 and 2016**

	2017			2016		
	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL
Salaries	\$ 295,843	\$ 280,243	\$ 15,600	\$ 276,582	\$ 260,865	\$ 15,717
Accounting	12,034	12,034	-	12,552	12,552	-
Conferences/training	16,697	16,697	-	7,697	7,697	-
Dues and Subscriptions	1,996	1,996	-	1,518	1,518	-
Insurance						
General	14,277	14,277	-	13,067	13,067	-
Group	39,843	37,742	2,101	31,672	29,872	1,800
Depreciation	4,638	-	4,638	4,994	-	4,994
Interest expense	224	224	-	35	35	-
Legal	887	887	-	-	-	-
Miscellaneous	3,471	3,471	-	2,182	2,182	-
Occupancy (Note 7)	21,999	21,999	-	22,524	22,524	-
Office supplies	4,553	4,553	-	5,043	5,043	-
Payroll taxes	23,758	22,505	1,253	21,851	20,609	1,242
Pension (Note 8)	6,797	6,439	358	6,360	5,999	361
Postage	3,603	3,603	-	2,677	2,677	-
Printing and duplication	3,034	3,034	-	3,481	3,481	-
Telephone	8,974	8,974	-	13,018	13,018	-
Travel	25,145	25,145	-	26,805	26,805	-
	<u>\$ 487,773</u>	<u>\$ 463,823</u>	<u>\$ 23,950</u>	<u>\$ 452,058</u>	<u>\$ 427,944</u>	<u>\$ 24,114</u>

The accompanying notes are an integral part of this statement

# **LOUISIANA GUARDIANSHIP SERVICES, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2017**

### **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) to 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) to advance continuing legal education for judges and attorneys who are involved in interdiction and continuing tutorship proceedings; and (4) to 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 DHH-OCDD (Department of Health and Hospitals-Office for Citizens with Development 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 and Hospitals, Office for Citizens with Developmental Disabilities as LCS's manager to assist LCS in administering its obligations under Agreement. The Company will 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.

## **NOTE 1 – NATURE OF ACTIVITIES (CONTINUED)**

Specific program objectives of DHH/OAAS (Department of Health and Hospitals-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 and Hospitals, Office of Aging and Adult Services, Adult Protective Services, as LCS's manager to assist LCS in administering its obligations under Agreement. The company will 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 financial statements of the Company have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

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

### Basis of Presentation

The Company reports information regarding its financial position and activities according to three classes of net assets:

**Unrestricted Net Assets** - Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** - Net assets that are subject to donor-imposed stipulations that may or will be met by actions of the Company. These restrictions are considered to expire when payments for restricted purposes are met.

**Permanently Restricted Net Assets** - Net assets that are subject to donor-imposed stipulations that the principal not be expended, but rather invested to provide a permanent source of income for the Company.

**Uncertain Tax Positions** - 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, 2017, the Company did not have any uncertain tax positions. Tax years ended June 30, 2014 and later remain subject to examination by taxing authorities.

**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 November 30, 2017, which is the date the financial statements were available to be issued.

**Contributions** - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Cash and cash equivalents** - For purposes of the statement of cash flows, the Company considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

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

**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.

**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).

**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.

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.

## NOTE 3 - GRANTS AND CONTRACTS FOR SERVICES RECEIVABLE

The Company has incurred expenses on contracts open at June 30, 2017 and 2016, in excess of contract fees for services received at that date. A receivable has been recorded on these contracts for the excess expenses.

	<u>2017</u>	<u>2016</u>
State of Louisiana Office for Citizens With Developmental Disabilities	\$91,200	\$ 45,600
State of Louisiana Department of Health and Hospitals, Office of Aging and Adult Services	11,769	29,423
State of Louisiana Governor's Office of Elderly Affairs	<u>5,710</u>	<u>5,710</u>
	<u>\$108,679</u>	<u>\$ 80,733</u>

#### **NOTE 4 - 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 of the Company. The Company has the right to use these assets in the programs for which they were acquired.

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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Equipment, furniture and fixtures	\$50,025	\$ 50,025
Less: accumulated depreciation	<u>(31,209)</u>	<u>(26,571)</u>
Net book value	<u>\$18,816</u>	<u>\$ 23,454</u>

Depreciation expense for the year ended June 30, 2017 and 2016 was \$4,994 and \$3,535 respectively.

#### **NOTE 5 - FUNDS HELD IN ESCROW**

This balance represents funds held in a separate Louisiana Guardianship Services, Inc., bank account for the client trust accounts. Deposits are made to this account of the client's personal funds (social security, etc.) and disbursements are drawn from this account for the client's living expenses. The funds in the bank account are the property of the client.

#### **NOTE 6 – BANK LINE OF CREDIT**

The Company has a bank line of credit which provides short-term borrowings up to \$30,000. Interest and principle on advances is payable monthly at the prime rate plus 2%. The outstanding balance is \$616 as of June 30, 2017.

#### **NOTE 7 - LEASE COMMITMENTS**

The Company leased 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, 2015.

The lease expires August 2018. Future minimum lease payments at June 30, 2017 are \$ 23,140.

Fiscal Year Ending

June 30,

2017– 2018

21,360

2018 – 2019

1,780

\$23,140

Rent expense incurred under this lease was \$ 21,360 for the year ended June 30, 2017.

#### **NOTE 8 - EMPLOYEE PENSION PLAN**

The Company adopted a Simple IRA that is available to all eligible employees. The Company has elected to match contributions up to 3% for 2016 – 2017 compensation for each participating employee. The Company's obligation for contributions to the plan as of June 30, 2017 was \$6,797 which consisted entirely of the Company's employer matching contribution.

#### **NOTE 9 - CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES**

The Company maintains its cash equivalents in financial institutions in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On June 30, 2017 and 2016, the Company had cash balances in excess of FDIC insured limits. 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 grants and contracts for services from government agencies, which comprises the majority of its revenue.

#### **NOTE 10 - LITIGATION AND CLAIMS**

There is no pending litigation against the Company at June 30, 2017. Furthermore, the Company's management believes that any potential lawsuits would be adequately covered by insurance.

#### **NOTE 11 - BOARD OF DIRECTORS' COMPENSATION**

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

## **SUPPLEMENTAL INFORMATION**



**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER**  
**PAYMENTS TO THE EXECUTIVE DIRECTOR**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**AGENCY HEAD NAME: Greg Mullooney, Executive Director**

Purpose	Amount
Salary	\$78,000
Benefits - insurance	10,726
Benefits - retirement	2,340
Travel – field	3,072
Travel – conference	208

See accompanying independent auditors' report.

## **SPECIAL REPORTS OF INDEPENDENT AUDITOR**

***Reginald A. Bresette, III***  
***Limited Liability Company***

***Reginald A. Bresette, III, CPA***

Member  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S 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.

I 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, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated November 30, 2017.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Company's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

A handwritten signature in black ink, appearing to read 'Reginald A. Bresette, III', with a stylized, flowing script.

Reginald A. Bresette, III LLC  
Certified Public Accountant

November 30, 2017

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Section I – Summary of Auditors’ Reports**

Financial Statements

Type of auditor’s 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, 2017 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, Non-Profit Organizations.

**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, 2017 related to internal control over financial reporting.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the financial statements for the year June 30, 2017.

**Section III – Federal Award Findings and Questioned Costs**

Not Applicable

## **SPECIAL REPORTS OF MANAGEMENT**

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**SUMMARY SCHEDULE OF PRIOR YEAR'S FINDINGS**

**For the Year Ended June 30, 2017**

**Section I – 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, 2016 related to internal control over financial reporting.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the financial statements for the year June 30, 2016.

**Section II – Internal Control and Compliance Material to Federal Awards**

The Organization did not receive federal awards in excess of \$750,000 for the year ended June 30, 2016 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, 2016.

**LOUISIANA GUARDIANSHIP SERVICES, INC.**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**

**For the Year Ended June 30, 2017**

**Section I – 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, 2017 related to internal control over financial reporting.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the financial statement for the year June 30, 2017.

**Section II – Internal Control and Compliance Material to Federal Awards**

The Organization did not receive federal awards in excess of \$750,000 for the year ended June 30, 2017 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, 2017.