

**Project Guardianship, Inc.**

Financial Statements

December 31, 2022

## Independent Auditors' Report

**Board of Trustees**  
**Project Guardianship, Inc.**

### *Opinion*

We have audited the accompanying financial statements of Project Guardianship, Inc. ("PG"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 PG as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 PG and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Change in Accounting Principle*

As discussed in Note 2 to the financial statements, PG adopted Financial Accounting Standards Board ("FASB") Topic 842, *Leases*, using the effective date method, with January 1, 2022 as the date of initial adoption. In addition, PG adopted FASB Topic 958, *Financial Accounting Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* with January 1, 2022 as the date of initial adoption. Our opinion is not modified with respect to these matters.

### *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.

***Responsibilities of Management for the Financial Statements (continued)***

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 PG's ability to continue as a going concern within one year after the date 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PG'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 PG'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 Summarized Comparative Information***

We have previously audited PG's December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PKF O'Connor Davies, LLP*

November 14, 2023

**Project Guardianship, Inc.**

Statement of Financial Position

December 31, 2022

(with comparative amounts at December 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 492,282	\$ 1,269,571
Government grants and contracts receivable	1,363,288	115,833
Grants receivable	80,000	55,000
Contributions receivable	500	5,000
Guardianship assets held in trust	1,280,933	615,595
Due from affiliate	202,608	299,854
Prepaid expenses	34,243	17,956
Client receivables	12,632	572
	<u>\$ 3,466,486</u>	<u>\$ 2,379,381</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 219,569	\$ 173,787
Guardianship assets held in trust	1,280,933	615,595
Refundable advances	150,000	210,000
Total Liabilities	<u>1,650,502</u>	<u>999,382</u>
Net Assets		
Without donor restrictions	1,371,819	907,853
With donor restrictions	<u>444,165</u>	<u>472,146</u>
Total Net Assets	<u>1,815,984</u>	<u>1,379,999</u>
	<u>\$ 3,466,486</u>	<u>\$ 2,379,381</u>

See notes to financial statements

**Project Guardianship, Inc.**

Statement of Activities  
 Year Ended December 31, 2022  
 (with summarized totals for the year ended December 31, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
<b>REVENUE AND SUPPORT</b>				
Government grants and contracts	\$ 2,294,407	\$ -	\$ 2,294,407	\$ 1,787,149
Grants	54,625	675,215	729,840	891,422
Contributions	52,168	-	52,168	44,054
Technical assistance fees	116,205	-	116,205	69,460
Other income	329	-	329	620
In-kind services	121,026	-	121,026	10,043
In-kind rent	84,597	-	84,597	67,482
Net assets released from restriction	703,196	(703,196)	-	-
Total Revenue and Support	<u>3,426,553</u>	<u>(27,981)</u>	<u>3,398,572</u>	<u>2,870,230</u>
<b>EXPENSES</b>				
Program services	2,377,709	-	2,377,709	2,033,120
Supporting Services				
Management and general	430,554	-	430,554	243,022
Fundraising	154,324	-	154,324	93,615
Total Expenses	<u>2,962,587</u>	<u>-</u>	<u>2,962,587</u>	<u>2,369,757</u>
Change in Net Assets	<u>463,966</u>	<u>(27,981)</u>	<u>435,985</u>	<u>500,473</u>
<b>NET ASSETS</b>				
Beginning of year	<u>907,853</u>	<u>472,146</u>	<u>1,379,999</u>	<u>879,526</u>
End of year	<u>\$ 1,371,819</u>	<u>\$ 444,165</u>	<u>\$ 1,815,984</u>	<u>\$ 1,379,999</u>

See notes to financial statements

## Project Guardianship, Inc.

### Statement of Functional Expenses Year Ended December 31, 2022 (with summarized totals for the year ended December 31, 2021)

	Program Services				Supporting Services		2022 Total	2021 Total
	Guardianship Services	Training and Education	Advocacy Services	Total Program Services	Management and General	Fundraising		
Salaries and wages	\$ 1,325,452	\$ 163,469	\$ 136,840	\$ 1,625,761	\$ 133,255	\$ 112,136	\$ 1,871,152	\$ 1,574,733
Payroll taxes and employee benefits	350,377	27,547	29,675	407,599	27,469	23,988	459,056	441,945
In-kind services	-	-	-	-	121,026	-	121,026	10,043
Professional fees	143,524	3,614	26,035	173,173	74,748	16,879	264,800	146,818
Insurance	-	-	-	-	10,968	-	10,968	37,495
Bank charges and fees	2,094	-	-	2,094	1,488	753	4,335	5,494
Equipment lease	563	-	-	563	3,079	-	3,642	5,465
In-kind rent	84,597	-	-	84,597	-	-	84,597	67,482
Storage rent	1,977	-	-	1,977	-	-	1,977	-
Travel and conferences	7,196	1,234	-	8,430	935	-	9,365	2,034
Postage	5,633	-	-	5,633	-	-	5,633	5,607
Software	21,117	-	-	21,117	38,356	-	59,473	39,054
Computer equipment	535	-	-	535	6,875	-	7,410	1,141
Telephone and internet	13,206	866	1,374	15,446	1,279	568	17,293	11,616
Dues and subscriptions	2,597	-	-	2,597	2,559	-	5,156	691
Interest	-	-	-	-	-	-	-	1,336
Recruiting	4,491	-	-	4,491	2,636	-	7,127	2,455
Office supplies	12,463	-	-	12,463	1,279	-	13,742	2,374
Staff training	5,263	670	495	6,428	-	-	6,428	5,914
Bad debt expense	-	-	-	-	400	-	400	-
Other	4,805	-	-	4,805	4,202	-	9,007	8,060
<b>Total Functional Expenses</b>	<b>\$ 1,985,890</b>	<b>\$ 197,400</b>	<b>\$ 194,419</b>	<b>\$ 2,377,709</b>	<b>\$ 430,554</b>	<b>\$ 154,324</b>	<b>\$ 2,962,587</b>	<b>\$ 2,369,757</b>

See notes to financial statements

**Project Guardianship, Inc.**

Statement of Cash Flows  
Year Ended December 31, 2022  
(with comparative amounts for the year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 435,985	\$ 500,473
Adjustments to reconcile change in net assets to net cash from operating activities		
Changes in operating assets and liabilities		
Government grants and contracts receivable	(1,247,455)	217,317
Grants receivable	(25,000)	35,000
Contributions receivable	4,500	(5,000)
Due from affiliate	97,246	(272,589)
Prepaid expenses	(16,287)	(1,289)
Client receivables	(12,060)	(572)
Accounts payable and accrued expenses	45,782	(3,120)
Refundable advances	<u>(60,000)</u>	<u>210,000</u>
Net Cash from Operating Activities	<u>(777,289)</u>	<u>680,220</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	-	616,000
Payment of line of credit	<u>-</u>	<u>(616,000)</u>
Net Cash from Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(777,289)	680,220
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>1,269,571</u>	<u>589,351</u>
End of year	<u>\$ 492,282</u>	<u>\$ 1,269,571</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ -	\$ 1,336

See notes to financial statements



## **Project Guardianship, Inc.**

Notes to Financial Statements  
December 31, 2022

### **1. Organization and Tax Status**

Project Guardianship, Inc. ("PG") is a not-for-profit organization whose mission is to provide guardianship and other support services for poor, elderly, disabled, or otherwise vulnerable individuals who lack the capacity to meet personal needs or manage their own affairs in order to help such individuals gain access to necessary support services, meet basic needs, and remain independent and engaged in their communities. PG was formerly a program under Vera Institute of Justice, Inc. ("Vera") called The Guardianship Project ("TGP") that began in 2004 before being spun off from Vera into a separate legal entity. On January 28, 2020, PG was incorporated in the State of New York under section 501(c)(3) of the Internal Revenue Code with Vera being the sole member of PG. Effective November 1, 2020, an independence agreement was executed between PG and Vera at which time certain employees were transferred to PG and all activity is the responsibility of PG. At December 31, 2022, Vera is still the sole member of PG.

### **2. Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Use of Estimates***

The preparation of financial statements in accordance with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### ***Adoption of New Accounting Policies***

##### ***Contributed Nonfinancial Assets***

At January 1, 2022, PG adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). ASU 2020-07 brings more transparency and consistency to the presentation and disclosure of gifts-in-kind. The standard does not change the accounting for gifts-in-kind, however it does provide matters related to presentation and disclosure.

## **Project Guardianship, Inc.**

Notes to Financial Statements  
December 31, 2022

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Adoption of New Accounting Policies (continued)***

##### ***Leases***

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-02, *Leases (Topic 842)* which supersedes existing guidance in Topic 840, Leases. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-to-use (“ROU”) assets and lease liabilities on the statement of financial position for operating leases.

PG adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022 as the initial date of application. PG elected to use all available practical expedients provided in the transition guidance. These allowed PG to not reassess the identification, classification and initial direct costs of lessor agreements and to use hindsight in lessee and lessor agreements for determining lease term and right-of-use asset impairment. At January 1, 2022, adoption of Topic 842 did not result in any material adjustments to the financial statements.

##### ***Cash and Cash Equivalents***

Cash and cash equivalents include highly liquid fixed income investments with a maturity of three months or less at time of purchase.

##### ***Government Grants and Contracts Receivable and Grants Receivable***

Government grants and contracts receivable and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probably uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding, after management has used reasonable collection efforts, are written off through a charge to the valuation allowance and a credit to receivables.

##### ***Contributions Receivable***

PG’s revenue related to contributions received is recognized as revenue in the period received at its fair value and PG distinguishes such contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using the prime rate applicable to the year in which contributions are made. Amortization of discounts is included in contribution revenue.

## **Project Guardianship, Inc.**

Notes to Financial Statements  
December 31, 2022

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Client Receivables***

From time to time, PG will pay expenses on behalf of clients for those clients holding a credit card. PG advances the funds to clients by paying the bills on their behalf prior to all receipts and supporting documentation being collected. Once all receipts are collected and substantiated by PG personnel, the related funding will be withdrawn from the corresponding client's bank accounts held in trust by PG. At December 31, 2022 and 2021, the balance owed from clients to PG was \$12,632 and \$572.

#### ***Allowance for Doubtful Accounts***

PG provides an allowance for doubtful accounts based upon prior experience and management's assessment of the collectability of existing specific accounts. Management deems all receivables to be collectable at December 31, 2022 and 2021.

#### ***Advertising***

Advertising is expensed as it is incurred.

#### ***Net Asset Classification***

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

*Without donor restrictions* - consist of resources available for the general support of PG's operations and that may be used at the discretion of PG's management and the Board of Trustees.

*With donor restrictions* - consist of resources which have either an implied or stated time restriction or have been restricted by donors for specific activities, including gift instruments requiring the principal be invested in perpetuity and the income be used for specific or general purposes. Donor restrictions that have been satisfied are reported in the statement of activities as net assets released from restrictions and are reclassified to net assets without donor restrictions.

#### ***In-kind Contributions***

In-kind contributions are recognized in the accompanying financial statements based on their fair value. PG recognizes the fair value of donated services which create or enhance nonfinancial assets, or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. Contributed services that do not meet these criteria are not recognized as revenue and are not reported in the accompanying financial statements.

## **Project Guardianship, Inc.**

Notes to Financial Statements  
December 31, 2022

### **2. Summary of Significant Accounting Policies (continued)**

In-kind services primarily relate to donated services performed by professionals in the course of carrying out the functions and activities of the programs of PG.

Since 2005, PG has been granted use of space below fair rental value by the New York State Unified Court System ("NYS UCS") on a month to month basis at 320 Jay Street, Brooklyn, New York and 360 Adams Street, Brooklyn, New York. For the years ended December 31, 2022 and 2021, contributed rent reported in the statement of activities is based on fair rental value of \$84,597 and \$67,482.

#### ***Revenue Recognition***

PG recognizes grant and contract revenues in the statement of activities to the extent that reimbursable expenses have been incurred for the purpose specified by the grantor during the period. Funds received in advance are reported as refundable advances in the statement of financial position. Revenue for performance based grants and contracts is recognized based on actual services rendered, not to exceed the maximum allowable amount per the grant or contract.

Contributions, including unconditional promises to give, are reported as revenues in the period received. Unconditional promises to give that are greater than one year are discounted to reflect the present value of future cash flows using a risk adjusted discount rate assigned in the year the respective pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

Contributions that the donor requires to be used to acquire long-lived assets (e.g. building improvements, furniture, fixtures and equipment) are reported as with donor restrictions. PG reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which time net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional contributions and grants are recognized as revenue when the conditions on which they depend have been substantially met.

There were no contract asset and liabilities at December 31, 2022, 2021, and 2020.

Technical assistance fees relate to earnings PG receives based on work performed on a final accounting of transactions for clients being discharged along with annual trust accounting filed with the courts. Revenue is recognized once the court approves the final accounting filings and issues a check for PG's portion of the assets.

## **Project Guardianship, Inc.**

Notes to Financial Statements  
December 31, 2022

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Functional Expense Allocations***

PG allocates its expenses on a functional basis among its various programs and support services. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditures. Costs that are common to several functions are allocated among the program and supporting services based on time and effort records and estimates made by PG's management, these include salaries and wages, payroll taxes, and employee benefits.

#### ***Accounting for Uncertainty in Income Taxes***

PG recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that PG had no uncertain tax positions that would require financial statement recognition or disclosure. PG is no longer subject to examinations by the applicable taxing jurisdictions for years prior to December 31, 2019.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 14, 2023.

### **3. Concentrations of Credit Risk**

Financial instruments that potentially subject PG to concentrations of credit risk consist principally of cash, investments and contributions receivable. PG places its cash with financial institutions and maintains balances which are generally covered by Federal Deposit Insurance Corporation ("FDIC") limits which are covered up to \$250,000. At times cash balances may exceed FDIC limits. At December 31, 2022 and 2021, PG's uninsured cash balance totaled approximately \$238,000 and \$1,019,000.

Government grants and contracts receivable credit risk is concentrated due to the nature of the grants and contracts and funding being provided by a few agencies. PG regularly monitors its government grants and contracts receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. PG considers all government grants and contracts receivables as collectible.

Grants receivable credit risk is concentrated due to the receivable balance relating to three institutional donors which have all made installment payments in the past.

Contributions receivable credit risk is concentrated due to the receivable balance relating to few institutional donors which has made installment payments in the past.

## Project Guardianship, Inc.

### Notes to Financial Statements December 31, 2022

#### 4. Economic Dependency

Funding from the New York State Unified Court System (“NYS UCS”) comprised 65% and 61% of total revenue and support in the years ended December 31, 2022 and 2021. Grants receivable from NYS UCS comprised 58% and 3% of total assets (excluding guardianship assets held in trust) in the years ended December 31, 2022 and 2021. PG is economically dependent on these funds to continue operations.

#### 5. Line of Credit

At December 31, 2022, PG has a \$1,000,000 revolving line of credit with a financial institution through May 1, 2024. Borrowings under this arrangement bear interest at the Wall Street Journal prime rate plus .25% and secured by all assets of PG. As of December 31, 2022, PG had no outstanding borrowing on the line of credit. Interest expense on the revolving line of credit was \$0 and \$1,336 for the years ended December 31, 2022 and 2021. Vera is a guarantor on the line of credit.

#### 6. Net Assets with Donor Restrictions

The following summarizes the changes in the net assets with donor restrictions and the related purposes for the year ended December 31, 2022:

Purpose/Retriction	Beginning of Year	Additions	Net Assets Released	End of Year
Restricted by Time	\$ 45,000	\$ 30,000	\$ (45,000)	\$ 30,000
Restricted by Purpose				
Guardianship for seniors	20,000	592,700	(218,535)	394,165
Research project/cost benefit analysis	50,000	-	(30,000)	20,000
Personnel and indirect costs	357,146	52,515	(409,661)	-
Total Restricted by Purpose	<u>427,146</u>	<u>645,215</u>	<u>(658,196)</u>	<u>414,165</u>
Total Net Assets with Donor Restrictions	<u>\$ 472,146</u>	<u>\$ 675,215</u>	<u>\$ (703,196)</u>	<u>\$ 444,165</u>

The following summarizes the changes in the net assets with donor restrictions and the related purposes for the year ended December 31, 2021:

Purpose/Retriction	Beginning of Year	Additions	Net Assets Released	End of Year
Restricted by Time	\$ 90,000	\$ -	\$ (45,000)	\$ 45,000
Restricted by Purpose				
Guardianship for seniors	-	20,000	-	20,000
Research project/cost benefit analysis	-	65,000	(15,000)	50,000
Personnel and indirect costs	-	485,000	(127,854)	357,146
Financial software consultant	-	10,000	(10,000)	-
Benefits coordinator	7,685	-	(7,685)	-
Total Restricted by Purpose	<u>7,685</u>	<u>580,000</u>	<u>(160,539)</u>	<u>427,146</u>
Total Net Assets with Donor Restrictions	<u>\$ 97,685</u>	<u>\$ 580,000</u>	<u>\$ (205,539)</u>	<u>\$ 472,146</u>

## **Project Guardianship, Inc.**

Notes to Financial Statements  
December 31, 2022

### **7. Employee Benefit Plans**

PG has a 401(k) plan covering all employees. Contributions by PG to the plan on behalf of employees are 5% of an employee's annual eligible compensation. Employees are eligible to participate in the plan upon date of hire and are immediately fully vested in all employer contributions made on their behalf. Contributions by PG to the plan amounted to \$59,432 and \$43,284 for the years ended December 31, 2022 and 2021.

### **8. Commitments and Contingencies**

PG has contracted with various funding agencies to perform various client guardianship services and receives revenue from the New York City and state governments. Reimbursements received under these contracts and payments are subject to audit by state governments and other agencies. Upon audit, if discrepancies are discovered, PG could be held responsible for refunding the amounts in question.

### **9. Related Party Transactions**

Prior to the independence agreement between Vera and PG, there was an agreement between Vera and PG for the exchange of services including payroll, space, and other expenses incurred by Vera on behalf of PG. During the years ended December 31, 2022 and 2021, total expenses incurred and paid by Vera totaled \$59,145 and \$130,269.

During the year ended December 31, 2022, total grant revenue and technical assistance fees transferred from Vera amounted to \$294,200 and \$116,205. During the year ended December 31, 2021, total grant revenue and technical assistance fees transferred from Vera amounted to \$717,318 and \$24,434.

During the years ended December 31, 2022 and 2021, revenue in the accompanying statement of activities includes contributions from certain members of the Board totaling \$12,335 and \$3,600.

### **10. Guardianship Assets Held in Trust**

PG provides guardianship services for older adults and people with disabilities in New York City who have been determined by NYS UCS to be unable to care for themselves. PG's administration of these assets is limited as dictated to certain appointed tasks as outlined in the order and judgment administered by a judge under NYS UCS which limits the scope of PG's authority to handle financial tasks. On November 1, 2020, an independence agreement was executed between Vera and PG at which point all new guardianship clients appointed by NYS UCS are sent to PG. Vera continues to be responsible for historic guardianship clients and has subcontracted the work out to PG. At times during the year, cash balances for PG held in the designated individual's and Vera's name, may exceed federally insured limits prescribed by the FDIC. Real property held by PG on behalf of clients is valued using the historical cost principle with the property's value being determined at the point in time when PG is appointed as guardian for the client and asset. At December 31, 2022 and 2021, the total amount of guardianship assets held in trust is comprised entirely of cash.

**Project Guardianship, Inc.**

Notes to Financial Statements  
December 31, 2022

**11. In-Kind Contributions**

In-kind contributions consist of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>	<u>Usage In Program/Activities</u>	<u>Donor Restriction</u>
Pro-bono legal services	\$ 121,026	\$ 10,043	Management and General Program Services	None
Donated office space	<u>84,597</u>	<u>67,482</u>		None
	<u>\$ 205,623</u>	<u>\$ 77,525</u>		

PG does not have a policy to monetize donations of non-financial assets.

Pro-bono legal services are recorded at fair value based on estimates used for current legal services provided by the law firm.

Donated office space is recorded at fair value determined through comparable lease rates of similar properties within the same area of the forms.

**12. Prior Period Adjustment**

In preparing the financial statements for the year ended December 31, 2022, management discovered that \$50,000 of revenue recorded during the year ended December 31, 2021 was duplicated in the books and records. Management has since adjusted the amounts as of and for the year ended December 31, 2021 and the adjustment is reflected in the accompanying financial statements. The original due from affiliate balance was \$349,854 as of December 31, 2021. After the adjustment the restated due from affiliate balance is \$299,854 as of December 31, 2021. The original grants revenue balance was \$941,422 as of December 31, 2021. After the adjustment the restated grants revenue balance is \$891,422.

**13. Liquidity and Availability of Financial Assets**

PG's financial assets reduced by amounts not available for general use within one year, due to contractual or donor-imposed restrictions, are composed of the following at December 31:

	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash	\$ 492,282	\$ 1,269,571
Government grants and contracts receivable	1,363,288	115,833
Grants receivable	80,000	55,000
Contributions receivable	500	5,000
Due from affiliate	202,608	299,854
Client receivable	<u>12,632</u>	<u>572</u>
	2,151,310	1,745,830
Less amount unavailable for general expenditure		
Amounts restricted for purpose by donor	<u>(414,165)</u>	<u>(427,146)</u>
Financial Assets Available to Meet General		
Expenditures Over the Next Twelve Months	<u>\$ 1,737,145</u>	<u>\$ 1,318,684</u>



**Project Guardianship, Inc.**

Notes to Financial Statements  
December 31, 2022

**13. Liquidity and Availability of Financial Assets (continued)**

As part of PG's strategy, management structures its financial assets to be available as its general expenditures and liabilities come due within one year. PG receives cash flows from various foundation, government, and institutional grants to fund its programs to meet future needs. In addition, PG has a \$1,000,000 revolving line of credit available to assist with cash flow needs.

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