

Project Guardianship, Inc.

Financial Statements

December 31, 2024

Project Guardianship, Inc

Financial Statements
December 31, 2024

Table of Contents	Page
Independent Auditors' Report	1-3
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-18

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, 2024, 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, 2024, 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.

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 PG'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 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, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

September 24, 2025

Project Guardianship, Inc.

Statement of Financial Position

December 31, 2024

(with comparative amounts at December 31, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 891,565	\$ 476,563
Government grants and contracts receivable	2,307,786	2,288,445
Grants receivable	21,250	95,250
Contributions receivable	-	10,916
Due from affiliate	24,968	233,611
Prepaid expenses	25,720	39,965
Client receivables	8,597	10,346
Security deposit	59,010	59,010
Guardianship assets held in trust	13,030,350	6,746,599
Right-of-use asset - operating lease, net	663,879	802,976
Property and equipment, net	50,314	62,661
	<u>\$ 17,083,439</u>	<u>\$ 10,826,342</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 328,149	\$ 308,037
Guardianship assets held in trust	13,030,350	6,746,599
Line of credit	-	400,000
Lease payable	705,777	832,615
Refundable advances	961,756	774,364
Total Liabilities	<u>15,026,032</u>	<u>9,061,615</u>
Net Assets		
Without donor restrictions	1,739,322	1,518,793
With donor restrictions	318,085	245,934
Total Net Assets	<u>2,057,407</u>	<u>1,764,727</u>
	<u>\$ 17,083,439</u>	<u>\$ 10,826,342</u>

See notes to financial statements

Project Guardianship, Inc.

Statement of Activities
Year Ended December 31, 2024
(with summarized totals for the year ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
REVENUE AND SUPPORT				
Government grants and contracts	\$ 4,078,145	\$ -	\$ 4,078,145	\$ 3,226,280
Grants	100,375	539,724	640,099	503,750
Contributions	83,599	-	83,599	66,633
Technical assistance fees	185,197	-	185,197	50,911
Other income	8,310	-	8,310	-
In-kind services	89,579	-	89,579	182,505
In-kind rent	81,228	-	81,228	81,228
Net assets released from restriction	467,573	(467,573)	-	-
Total Revenue and Support	<u>5,094,006</u>	<u>72,151</u>	<u>5,166,157</u>	<u>4,111,307</u>
EXPENSES				
Program services	4,141,699	-	4,141,699	3,411,114
Supporting Services				
Management and general	499,533	-	499,533	583,067
Fundraising	232,245	-	232,245	168,383
Total Expenses	<u>4,873,477</u>	<u>-</u>	<u>4,873,477</u>	<u>4,162,564</u>
Change in Net Assets	220,529	72,151	292,680	(51,257)
NET ASSETS				
Beginning of year	<u>1,518,793</u>	<u>245,934</u>	<u>1,764,727</u>	<u>1,815,984</u>
End of year	<u>\$ 1,739,322</u>	<u>\$ 318,085</u>	<u>\$ 2,057,407</u>	<u>\$ 1,764,727</u>

See notes to financial statements

Project Guardianship, Inc.

Statement of Functional Expenses

Year Ended December 31, 2024

(with summarized totals for the year ended December 31, 2023)

	Program Services				Supporting Services		2024	2023
	Guardianship Services	Training and Education	Advocacy Services	Total Program Services	Management and General	Fundraising	Total	Total
Salaries and wages	\$ 1,530,299	\$ 553,116	\$ 254,247	\$ 2,337,662	\$ 95,576	\$ 165,675	\$ 2,598,913	\$ 2,428,710
Payroll taxes and employee benefits	424,477	153,424	70,523	648,424	26,511	45,955	720,890	597,076
In-kind services	-	-	-	-	89,579	-	89,579	182,505
Professional fees	277,288	25,028	32,607	334,923	134,967	6,749	476,639	450,594
Insurance	-	-	-	-	58,483	-	58,483	39,936
Bank charges and fees	275	-	-	275	2,357	-	2,632	5,531
Equipment lease	-	-	-	-	-	-	-	3,502
In-kind rent	81,228	-	-	81,228	-	-	81,228	81,228
Travel and conferences	11,148	-	-	11,148	1,808	-	12,956	15,262
Postage	8,576	-	-	8,576	-	-	8,576	4,894
Software	-	-	-	-	22,725	-	22,725	57,067
Computer equipment	-	-	-	-	8,410	-	8,410	7,181
Telephone and internet	6,926	2,487	586	9,999	765	969	11,733	20,020
Dues and subscriptions	4,347	-	-	4,347	445	397	5,189	8,813
Interest	-	-	-	-	4,560	-	4,560	2,089
Recruiting	-	-	-	-	8,355	-	8,355	9,187
Office supplies	7,790	-	-	7,790	2,482	-	10,272	15,613
Staff training	-	-	-	-	-	-	-	15,740
Occupancy and maintenance	137,570	19,479	6,322	163,371	30,088	12,500	205,959	66,506
Subcontractors	525,506	-	-	525,506	-	-	525,506	143,114
Depreciation expense	-	-	-	-	12,347	-	12,347	2,161
Other	8,450	-	-	8,450	75	-	8,525	5,835
Total Functional Expenses	\$ 3,023,880	\$ 753,534	\$ 364,285	\$ 4,141,699	\$ 499,533	\$ 232,245	\$ 4,873,477	\$ 4,162,564

See notes to financial statements

Project Guardianship, Inc.

Statement of Cash Flows
Year Ended December 31, 2024
(with comparative amounts for the year ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 292,680	\$ (51,257)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	12,347	2,161
Amortization of right-of-use asset - operating lease	139,097	34,234
Changes in operating assets and liabilities		
Government grants and contracts receivable	(19,341)	(925,157)
Grants receivable	74,000	(15,250)
Contributions receivable	10,916	(10,416)
Due from affiliate	208,643	(31,003)
Prepaid expenses	14,245	(5,722)
Client receivables	1,749	2,286
Security deposit	-	(59,010)
Accounts payable and accrued expenses	20,112	88,468
Refundable advances	187,392	624,364
Lease payable	<u>(126,838)</u>	<u>(4,595)</u>
Net Cash from Operating Activities	<u>815,002</u>	<u>(350,897)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>-</u>	<u>(64,822)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	50,000	625,470
Payment of line of credit	<u>(450,000)</u>	<u>(225,470)</u>
Net Cash from Financing Activities	<u>(400,000)</u>	<u>400,000</u>
Net Change in Cash and Cash Equivalents	415,002	(15,719)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>476,563</u>	<u>492,282</u>
End of year	<u>\$ 891,565</u>	<u>\$ 476,563</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 4,560	\$ 2,089

See notes to financial statements

Project Guardianship, Inc.

Notes to Financial Statements

December 31, 2024

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. At December 31, 2024, 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.

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 probable 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.

Project Guardianship, Inc.

Notes to Financial Statements

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

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.

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, 2024 and 2023, the balance owed from clients to PG was \$8,597 and \$10,346.

Allowance for Credit Losses

PG provides an allowance for credit losses 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, 2024 and 2023.

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.

Project Guardianship, Inc.

Notes to Financial Statements

December 31, 2024

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

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.

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.

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.

Project Guardianship, Inc.

Notes to Financial Statements

December 31, 2024

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

Revenue Recognition (continued)

There were no contract assets and liabilities at December 31, 2024 and 2023, and January 1, 2023. Client receivables were \$8,597 and \$10,346 at December 31, 2024 and 2023 and \$12,632 at January 1, 2023.

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.

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, 2021.

Property and Equipment

Property and equipment are stated at cost and depreciated on a straight-line basis over their estimated useful lives, ranging from 3 to 15 years. PG capitalizes all expenditures for property and equipment in excess of \$2,500. Leasehold improvements are stated at cost and depreciated on a straight-line basis over the shorter of the lease term or their estimated useful life.

Leases

PG leases a building and determined if the arrangement is a lease at inception. The operating lease is included in right-of-use asset – operating lease, net ("ROU asset"), and lease payable on the accompanying statement of financial position.

Project Guardianship, Inc.

Notes to Financial Statements

December 31, 2024

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

Leases (continued)

ROU asset represents the right to use an underlying asset for the lease term and lease payable represents the obligation to make lease payments arising from the lease. Operating lease ROU asset and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease does not provide an implicit borrowing rate. PG uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease term may include options to extend the lease and when it is reasonably certain that PG will exercise that option, such amounts are included in ROU asset and lease liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

PG's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

PG has a lease agreement with lease and non-lease components, which are generally accounted for separately. Variable lease components in this lease are cleaning and security and are recognized in operating expenses in the period in which the obligation is incurred.

PG applies the short-term lease exemption to all of its classes of underlying assets. During the years ended December 31, 2024 and 2023, there were no short-term lease costs.

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 September 24, 2025.

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, 2024 and 2023, PG's uninsured cash balance totaled approximately \$628,000 and \$225,000.

Project Guardianship, Inc.

Notes to Financial Statements

December 31, 2024

3. Concentrations of Credit Risk *(continued)*

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 to be 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 have made installment payments in the past.

4. Economic Dependency

Funding from the New York State Unified Court System ("NYS UCS") comprised 46% and 55% of total revenue and support in the years ended December 31, 2024 and 2023. Grants receivable from NYS UCS comprised 51% and 34% of total assets (excluding guardianship assets held in trust) as of December 31, 2024 and 2023. PG is economically dependent on these funds to continue operations.

5. Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Furniture and fixtures	\$ 64,822	\$ 64,822
Accumulated depreciation	(14,508)	(2,161)
	<u>\$ 50,314</u>	<u>\$ 62,661</u>

6. Line of Credit

At December 31, 2024, PG has a \$1,000,000 revolving line of credit with a financial institution through October 31, 2025. Borrowings under this arrangement bear interest at the Wall Street Journal prime rate plus .25% and secured by all assets of PG. The interest rate at December 31, 2024 was 7.75%. PG had outstanding borrowing on the line of credit of \$0 and \$400,000 as of December 31, 2024 and 2023. Interest expense on the revolving line of credit was \$4,560 and \$2,089 for the years ended December 31, 2024 and 2023. Vera is a guarantor on the line of credit.

Project Guardianship, Inc.

Notes to Financial Statements December 31, 2024

7. 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, 2024:

Purpose/Restriction	Beginning of Year	Additions	Net Assets Released	End of Year
Restricted by time	<u>\$ 40,000</u>	<u>\$ 35,000</u>	<u>\$ (40,000)</u>	<u>\$ 35,000</u>
Restricted by Purpose				
Guardianship for seniors	205,934	369,000	(377,573)	197,361
External communications	-	85,724	-	85,724
Training	-	50,000	(50,000)	-
Total Restricted by Purpose	<u>205,934</u>	<u>504,724</u>	<u>(427,573)</u>	<u>283,085</u>
Total Net Assets with Donor Restrictions	<u>\$ 245,934</u>	<u>\$ 539,724</u>	<u>\$ (467,573)</u>	<u>\$ 318,085</u>

The following summarizes the changes in the net assets with donor restrictions and the related purposes for the year ended December 31, 2023:

Purpose/Restriction	Beginning of Year	Additions	Net Assets Released	End of Year
Restricted by time	<u>\$ 30,000</u>	<u>\$ 40,000</u>	<u>\$ (30,000)</u>	<u>\$ 40,000</u>
Restricted by Purpose				
Guardianship for seniors	394,165	352,000	(540,231)	205,934
Research project/cost benefit analysis	20,000	-	(20,000)	-
Office transitions	-	50,000	(50,000)	-
Total Restricted by Purpose	<u>414,165</u>	<u>402,000</u>	<u>(610,231)</u>	<u>205,934</u>
Total Net Assets with Donor Restrictions	<u>\$ 444,165</u>	<u>\$ 442,000</u>	<u>\$ (640,231)</u>	<u>\$ 245,934</u>

8. 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 were \$86,718 and \$70,524 for the years ended December 31, 2024 and 2023.

9. 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.

Project Guardianship, Inc.

Notes to Financial Statements December 31, 2024

10. Related Party Transactions

There is 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, 2024 and 2023, total expenses incurred and paid by Vera totaled \$698 and \$30,480.

During the years ended December 31, 2024 and 2023, there was no grant revenue and technical assistance fees transferred from Vera.

During the years ended December 31, 2024 and 2023, revenue in the accompanying statement of activities includes contributions from certain members of the Board totaling \$25,361 and \$26,753.

11. 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. Guardianship assets held in trust are comprised of the following at December 31:

	2024	2023
Cash	\$ 5,765,848	\$ 3,454,938
Real property	6,864,330	2,749,000
Investments	400,172	542,661
	<u>\$ 13,030,350</u>	<u>\$ 6,746,599</u>

All investment amounts within the guardianship assets held in trust are valued using Level 1 inputs and consist of domestic and international equities and mutual funds.

Project Guardianship, Inc.

Notes to Financial Statements December 31, 2024

12. In-Kind Contributions

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

	2024	2023	Usage In Program/Activities	Donor Restriction
Pro-bono legal services	\$ 75,829	\$ 182,505	Management and General	None
Donated consulting services	13,750	-	Management and General	None
Donated office space	81,228	81,228	Program Services	None
	<u>\$ 170,807</u>	<u>\$ 263,733</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 consulting services are recorded at fair value based on estimates used for current consulting services provided by the consulting firm.

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

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:

	2024	2023
Financial Assets:		
Cash	\$ 891,565	\$ 476,563
Government grants and contracts receivable	2,307,786	2,288,445
Grants receivable	21,250	95,250
Contributions receivable	-	10,916
Due from affiliate	24,968	233,611
Client receivable	8,597	10,346
	<u>3,254,166</u>	<u>3,115,131</u>
Less amount unavailable for general expenditure		
Amounts restricted for purpose by donor	<u>(283,085)</u>	<u>(205,934)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 2,971,081</u>	<u>\$ 2,909,197</u>

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.

Project Guardianship, Inc.

Notes to Financial Statements December 31, 2024

14. Operating Lease

PG entered into a noncancellable lease agreement on November 1, 2023 for space in New York City expiring January 31, 2029.

PG amortizes the operating lease right-of-use asset over the remaining life of the lease agreement. The right-of-use asset consists of the following at December 31:

	2024	2023
Right of use asset - operating lease	\$ 837,210	\$ 837,210
Less: accumulated amortization	<u>(173,331)</u>	<u>(34,234)</u>
	<u>\$ 663,879</u>	<u>\$ 802,976</u>

Future minimum payments under the lease arrangement are as follows for the years ending December 31:

2025	\$ 184,384
2026	188,910
2027	193,556
2028	198,311
2029	<u>16,559</u>
Total Future Minimum Lease Payments	781,720
Less imputed interest	<u>(75,943)</u>
Present Value of Operating Lease Liabilities	<u>\$ 705,777</u>

Rent expense is as follows for the years ended December 31:

	2024	2023
Operating lease, included in occupancy and maintenance	\$ 177,568	\$ 44,392
Variable lease and maintenance, included in occupancy and maintenance	<u>28,391</u>	<u>22,114</u>
	<u>\$ 205,959</u>	<u>\$ 66,506</u>

The right-of-use asset and corresponding liability associated with future lease payments on the above noted lease are shown below at December 31:

	2024	2023
Weighted Average:		
Discount rate	4.92%	4.92%
Remaining lease term in years	4.08	5.08

Project Guardianship, Inc.

Notes to Financial Statements
December 31, 2024

14. Operating Lease (*continued*)

Supplemental cash flow information related to operating leases was as follows for the year ended December 31:

	<u>2024</u>	<u>2023</u>
ROU assets obtained in exchange for operating lease obligations	\$ -	\$ 837,210
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 165,308	\$ 14,753

* * * * *