

SON OF A SAINT

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Son of a Saint
New Orleans, Louisiana
Table of Contents
December 31, 2023 and 2022

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to the Financial Statements	9 - 18

Dennis E. James, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA

Lyle E. Lambert, CPA
Lauren Kimble Smith, CPA



Independent Auditor's Report

To the Board of Directors of
Son of a Saint
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of Son of a Saint (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 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 Son of a Saint as of December 31, 2023 and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Son of a Saint 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 opinion.

Responsibilities of Management 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, 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 Son of a Saint's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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.

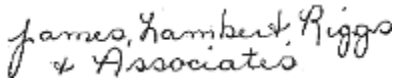
Son of a Saint
March 11, 2024

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 judgement 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 Son of a Saint'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 Son of a Saint'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.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

March 11, 2024

Financial Statements

Son of a Saint
New Orleans, Louisiana
Statements of Financial Position
December 31, 2023 and 2022

Exhibit A

	2023	2022
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 2,582,780	\$ 1,048,735
Promises to Give, Net	2,257,424	2,076,809
Investments	100,000	200
Prepaid Insurance	166,090	72,969
Total Current Assets	5,106,294	3,198,713
Restricted Assets:		
Restricted Cash and Cash Equivalents:		
SOAS Scholars	2,354,670	2,147,684
Capital Campaign	14	4,404
Restricted Promises to Give	391,260	438,719
Total Restricted Assets	2,745,944	2,590,807
Property & Equipment:		
Buildings and Improvements	6,025,472	6,025,472
Furniture and Equipment	211,982	194,231
Vehicles	108,560	108,560
Software Development	171,990	39,813
Less: Accumulated Depreciation	(449,869)	(228,037)
Total Property & Equipment	6,068,135	6,140,039
Other Assets:		
Right of Use Assets, Net	64,073	86,765
Total Other Assets	64,073	86,765
Total Assets	\$ 13,984,446	\$ 12,016,324
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 142,797	\$ 281,334
Deferred Revenue	-	50,000
Lease Obligation, Short Term	8,343	10,059
Vehicle Note Payable, Short Term	10,367	9,931
Note Payable	-	766,246
Total Current Liabilities	161,507	1,117,570
Long Term Liabilities:		
Lease Obligation, Long Term	91,773	112,749
Vehicle Note Payable, Long Term	13,519	24,322
Total Long Term Liabilities	105,292	137,071
Total Liabilities	266,799	1,254,641
Net Assets:		
Without Donor Restrictions	10,609,214	7,855,846
With Donor Restrictions	3,108,433	2,905,837
Total Net Assets	13,717,647	10,761,683
Total Liabilities and Net Assets	\$ 13,984,446	\$ 12,016,324

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

Son of a Saint
New Orleans, Louisiana
Statements of Activities

Exhibit B

For the Year Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:						
Contributed Support:						
Grants	\$ -	647,737	\$ 647,737	\$ -	\$ 355,249	\$ 355,249
Donations	5,254,084	-	5,254,084	3,879,539	502,231	4,381,770
In-Kind Donations	919,749	-	919,749	793,331	-	793,331
Capital Campaign	-	4,200	4,200	-	232,465	232,465
SOAS Scholar Income	-	775,347	775,347	-	451,520	451,520
Earned Revenue:						
Other Income	11,814	-	11,814	34,522	-	34,522
Rental Income	32,985	-	32,985	-	-	-
Investment Income / (Loss)	655,436	-	655,436	766	-	766
Net Assets Released from Restrictions	844,832	(844,832)	-	1,950,383	(1,950,383)	-
Total Revenues and Other Support	7,718,900	582,452	8,301,352	6,658,541	(408,918)	6,249,623
Expenses:						
Program Services	3,398,774	379,856	3,778,630	3,530,669	229,638	3,760,307
Supportive Services:						
General and Administrative	410,426	-	410,426	524,052	-	524,052
Fundraising	1,156,333	-	1,156,333	937,002	-	937,002
Total Expenses	4,965,532	379,856	5,345,388	4,991,723	229,638	5,221,361
 Total Net Operating Income	 2,753,368	 202,596	 2,955,964	 1,666,818	 (638,556)	 1,028,262
Net Assets:						
Beginning of the Year, Originally Stated	7,855,846	2,905,837	10,761,683	6,210,151	3,544,393	9,754,544
Prior Period Adjustment	-	-	-	(21,123)	-	(21,123)
Beginning of the Year, Restated	7,855,846	2,905,837	10,761,683	6,189,028	3,544,393	9,733,421
End of the Year	\$ 10,609,214	\$ 3,108,433	\$ 13,717,647	\$ 7,855,846	\$ 2,905,837	\$ 10,761,683

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

Son of a Saint
New Orleans, Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2023

Exhibit C

	Program Services	General & Administrative	Fundraising	Total
Payroll Salary	\$ 1,257,234	\$ 197,600	\$ 366,401	\$ 1,821,235
Fringe Benefits	208,742	31,610	59,737	300,089
Donor Cultivation	-	-	51,552	51,552
Stipend / Scholarships	401,730	-	-	401,730
Staff Development	45,872	-	-	45,872
Transportation	130,846	-	-	130,846
Program Expenses	204,641	-	-	204,641
In-Kind Expenses	708,629	-	211,120	919,749
Depreciation	180,686	41,148	-	221,834
Contract Expenses	47,699	33,862	-	81,561
Sales and Marketing	-	-	153,926	153,926
Partnership Expenses	31,076	-	-	31,076
Utilities	70,677	-	-	70,677
Lease Expense	27,796	-	-	27,796
Fundraising	-	-	273,251	273,251
Bank Service Charges	-	1,086	-	1,086
Processing Fees	-	2,091	-	2,091
Grant Writing	-	-	7,640	7,640
Mentor and Intern Pay	41,262	-	-	41,262
Board Expenses	-	14,182	-	14,182
Insurance	49,850	-	-	49,850
Printing and Postage	5,781	-	-	5,781
Books and Subscriptions	17,425	4,024	-	21,449
Supplies	16,215	5,388	-	21,603
Technology Expense	13,910	1,546	-	15,456
Telecommunications	26,231	2,915	-	29,145
Other Expenses	84,325	24,998	8,333	117,655
Travel	40,054	751	20,736	61,541
Repairs & Maintenance	21,822	10,911	3,637	36,370
Bad Debt Expense	103,388	-	-	103,388
Interest Expense	-	38,315	-	38,315
Educational Expenses	42,739	-	-	42,739
Total Expenses	\$ 3,778,630	\$ 410,426	\$ 1,156,333	\$ 5,345,388
 Percentage of Total Expenses	 <u>70.69%</u>	 <u>7.68%</u>	 <u>21.63%</u>	 <u>100.00%</u>

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

Son of a Saint
New Orleans, Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2022

Exhibit C
(Continued)

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll Salary	\$ 1,185,099	\$ 118,552	\$ 379,561	\$ 1,683,212
Fringe Benefits	202,056	29,307	51,087	282,450
Donor Cultivation	-	15	46,119	46,134
Stipend / Scholarships	295,753	-	-	295,753
Staff Development	3,455	34,056	10,169	47,680
Transportation	49,632	-	28,872	78,504
Program Expenses	318,184	-	-	318,184
In-Kind Expenses	793,331	-	-	793,331
Depreciation	121,058	-	-	121,058
Contract Expenses	107,775	87,316	587	195,678
Sales and Marketing	-	33,255	99,670	132,925
Rent	69,438	12,989	-	82,427
Lease Expense	23,342	2,594	-	25,935
Fundraising	-	-	296,476	296,476
Bank Service Charges	-	664	-	664
Processing Fees	-	6,320	-	6,320
Board Expenses	15,900	11,691	-	27,591
Insurance	6,870	27,059	-	33,929
Printing and Postage	2,052	2,460	-	4,512
Books and Subscriptions	3,596	24,918	-	28,514
Supplies	86,527	1,850	-	88,377
Technology Expense	38,379	4,264	-	42,643
Telecommunications	63,306	7,034	-	70,340
Other Expenses	38,322	63,053	9,570	110,945
Travel	188,469	4,066	14,891	207,426
Repairs & Maintenance	50,150	26,103	-	76,253
Bad Debt Expense	59,622	-	-	59,622
Interest Expense	-	26,486	-	26,486
Educational Expenses	37,992	-	-	37,992
Total Expenses	<u>\$ 3,760,307</u>	<u>\$ 524,052</u>	<u>\$ 937,002</u>	<u>\$ 5,221,361</u>
Percentage of Total Expenses	<u>72.02%</u>	<u>10.04%</u>	<u>17.95%</u>	<u>100.00%</u>

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

Son of a Saint
New Orleans, Louisiana
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Exhibit D

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 2,955,964	\$ 1,028,262
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation and Right of Use Assets Amortization	244,526	171,160
Gain on Lease Termination	-	(11,015)
Changes in Operating Assets and Liabilities:		
Grants Receivable	(131,306)	(55,964)
Investments	(99,800)	51,000
Prepaid Insurance	(93,121)	(72,969)
Deferred Revenue	(50,000)	50,000
Accounts Payable	(138,537)	279,178
Net Cash Provided by Operating Activities	<u>2,687,726</u>	<u>1,439,652</u>
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	(148,051)	(2,950,662)
Net Cash Used in Investing Activities	<u>(148,051)</u>	<u>(2,950,662)</u>
Cash Flows from Financing Activities:		
Principal Payments on Notes Payable	(766,246)	(2,784,619)
Drawdowns from Line of Credit	-	2,546,741
Payments on Line of Credit	-	-
Issuance of Vehicle Note Payable	-	40,716
Principal Payment of Vehicle Note Payable	(10,367)	(6,463)
Payments of Principal on Finance Leases	(26,421)	(24,166)
Net Cash Provided by (Used in) Financing Activities	<u>(803,034)</u>	<u>(227,791)</u>
Net Change in Cash and Cash Equivalents	1,736,641	(1,738,801)
Cash and Cash Equivalents - Beginning of the Year	<u>3,200,823</u>	<u>4,939,624</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 4,937,464</u>	<u>\$ 3,200,823</u>
Supplemental Disclosure of Cash Flow Information		
Cash and Cash Equivalents per Exhibit A	\$ 2,582,780	\$ 1,048,735
Restricted Cash and Cash Equivalents per Exhibit A	<u>2,354,684</u>	<u>2,152,088</u>
	<u>\$ 4,937,464</u>	<u>\$ 3,200,823</u>
Cash Paid for Interest	<u>38,315</u>	<u>26,486</u>

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

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2023

Introduction

Son of a Saint (SOAS) is a non-profit organization established in 2011 to enhance the lives of fatherless boys through mentorship, emotional support, development of life skills, exposure to constructive experiences and formation of positive, lasting peer-to-peer relationships. SOAS serves the Greater New Orleans Area and achieves its mission through:

- **Mental Health** – Mental health specialists (LPC, P-LPC) offer evidence-based counseling and therapy sessions using modalities including talk therapy and play therapy. Our mental health specialists provide individual and group counseling to mentees on an ongoing basis, and attend school visits to advocate for mentees and assist with interpreting and implementing 504 Plans, IEPs, and other socio-emotional interventions.
- **Case Management** – SOAS currently has full-time case managers on staff who hold an MSW or LCSW license. Case Managers perform biopsychosocial assessments for mentees and families to assess existing challenges, needs, and possible interventions. Case Managers connect mentees to appropriate services within the Son of a Saint program and in the community, and conduct referrals for families to critical community resources including housing, food access, utilities assistance, educational and workforce opportunities, and government assistance programs. Case Managers also advocate for mentees and families within schools, within the Son of a Saint program, and in the broader community.
- **One-on-One & Group Mentorship** – Regular daylong mentorship sessions are designed to aid in our boys’ academic, personal, and overall development. The organization hosts an average of 20 group mentorship sessions per month, covering topics such as etiquette, time management, decision-making, critical thinking, anger management, moral reasoning, life skills, work ethic, leadership, civic responsibility and teamwork. Mentees and mentors also frequent various types of outings, such as sporting events, educational trips, movies, dining, parades, and volunteer activities. Many of SOAS’ mentees are also paired with a dedicated mentor to facilitate an ongoing, one-on-one mentoring relationship.
- **Recreational Access** – SOAS mentees are exposed to horseback riding, fishing, yoga, music, chess, the arts and more. Every boy participates in at least one of these activities weekly. Mentors also support and encourage mentees in their extracurricular activities by attending various activities.
- **Academic Support** – SOAS provides ongoing tutoring for Son of a Saint mentees in need of additional academic support. Many of our volunteer educators are current New Orleans middle school or high school teachers, and are familiar with the mentees’ coursework. Son of a Saint also serves as advocates for the boys at school, intervening in the case of behavioral or academic challenges, and providing support to guardians.
- **Tuition Assistance** – SOAS works to provide middle school and high school scholarships allowing mentees to attend tuition-based schools in the New Orleans area. If a mentee has the inclination and academic capability to attend a private or parochial school, SOAS does their best to make sure financial means are not a barrier to a quality education.
- **SOAS Scholars Program** – SOAS Scholars is a School Tuition Organization (STO), selected by the Louisiana Department of Education to help facilitate the state’s Tuition Donation Credit (TDC) Program. As an STO, Son of a Saint Scholars will be receiving and reviewing applications, selecting recipients, and awarding scholarships to low income students across the state. It serves both our mentees, as well as boys and girls outside of our program in need of tuition assistance

Son of a Saint
New Orleans, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

- College Preparation – SOAS works with mentees to ensure they have the preparation and knowledge to make an informed decision about their higher education path. SOAS reviews postsecondary education options, facilitate ACT preparation classes, guide them in the college essay writing process, teach them about college financing, and help connect them with financial aid and scholarship opportunities.
- Career Development – SOAS’s Career Development Coordinator pairs the mentees with internships, job shadowing opportunities and academic camps. SOAS also organizes company tours and career panels for the mentees to learn about interview skills and different career options.
- Cultural Immersion – SOA provides cultural immersion opportunities for mentees, allowing them to break down preconceived barriers about other cultures and people, all while building confidence, developing newfound cultural sensitivity, and making meaningful connections with the local ways of life in difference destinations. SOAS mentees have journeyed to places including Montreal, Costa Rica and Ghana, Africa.

1. Summary of Significant Accounting Policies

A. Basis of Accounting

In accordance with generally accepted accounting principles, the accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

B. Basis of Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of SOAS and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Revenues are reported as increases in net assets without restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions.

Net Assets With Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

C. Cash and Cash Equivalents

For purposes of the statements of cash flows, SOAS considers all short-term, highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. Cash balances in the SOAS Scholars and the SOAS Capital Campaign accounts are considered restricted because the donations received were restricted by donors and the future expense of these funds are restricted only for these specific purposes.

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

In accordance with ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, the statement of cash flows includes cash, cash equivalents, restricted cash, and restricted cash equivalents.

D. Property and Equipment

All significant acquisitions of property and equipment whose useful lives extend beyond a one-year period and betterments, which naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Repairs and maintenance that do not extend the asset's useful life are expensed as incurred.

Property and equipment are carried at cost, or, if donated, at their acquisition value (entry price) at the date of donation. Assets acquired through lease agreements meeting requirements under generally accepted accounting principles that require capitalization are recorded at their fair market values as of the date of the lease inception. SOAS records depreciation on its property and equipment using the straight-line method. The following is a summary of the estimated useful lives used:

Buildings and Improvements	40 Years
Vehicles	5 Years
Computer Software	5 Years
Furniture and Equipment	10 Years

SOAS periodically evaluates the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than the assets' carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined by independent market appraisals or by using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner except that fair market values are reduced for the cost to dispose. There were no impairments of long-lived assets recognized for the years ended December 31, 2023 and 2022.

E. Revenue and Support with Donor Restrictions and without Donor Restrictions

Contributions received are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions, depending on the existence and / or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. Donor-restricted contributions whose restrictions are met in the same accounting period are reported as support and revenues without restrictions.

Fundraising and other revenues are recognized as earned.

**Son of a Saint
New Orleans, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

F. Donated Assets and Services

Donated services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services, which would be typically purchased if not provided by donation. The estimated fair market value of donated services provided to SOAS during the fiscal year ending December 31, 2023 and 2022 was \$919,749 and \$793,331, respectively, which are recorded in the accompanying financial statements. Included in the 2023 fair market value of donated services is \$350,000 of in-kind personnel support from Ochsner Health Services. In addition, there are numerous volunteers who donate time in SOAS's programs and supporting services. During the fiscal year ending December 31, 2023 and 2022, volunteer workers donated an estimated 3,043 and 2,225 hours of time, respectively. The estimated value based on volunteer rates is \$70,510 for December 31, 2023 and \$52,327 for December 31, 2022, which are also recorded in the accompanying financial statements.

G. Income Taxes

SOAS is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Management believes there are no uncertain tax positions included in the financial statements. SOAS's Forms 990, *Return of Organization Exempt from Income Tax*, and Forms 990-T, *Exempt Organization Business Income Tax Return*, for the years ending December 31, 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

H. Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses which are directly associated with program services or supportive services are charged directly to that functional area. SOAS maintains a single program concentrated on youth mentoring, and, as a result, all program services are classified as such on the statements of functional expenses.

I. Concentrations

Cash on Deposit and Uninsured Balances:

SOAS maintains its cash and cash equivalent balances at various financial institutions. As of December 31, 2023 and 2022, the balances in SOAS's cash and cash equivalents not covered from loss by the FDIC totaled \$4,228,331 and \$2,815,812, respectively.

Concentration of Revenue:

For the fiscal year ended December 31, 2023, \$3,626,100 or approximately 54 percent of the SOAS's donated revenues were received from eighteen (18) individual and corporate donors concentrated primarily in the City of New Orleans, Louisiana.

Son of a Saint
New Orleans, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

J. Fair Value Measurements

Fair value is the price SOAS would receive to sell an asset or pay to transfer a liability (exit price) in an orderly transaction between market participants. For those assets and liabilities recorded or disclosed at fair value, SOAS determines fair value based upon the quoted market price, if available. If a quoted market price is not available for identical assets, SOAS determines fair value based upon the quoted market price of similar assets or the present value of expected future cash flows considering the risks involved, including counterparty performance risk if appropriate, and using discount rates appropriate for the duration. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation.

Level 1: Inputs based upon quoted prices in active markets for identical assets.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset (or liability), either directly or indirectly.

Level 3: Inputs are unobservable for the asset.

K. Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation. Net assets are unchanged due to these reclassifications.

L. 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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

At December 31, 2023 and 2022, SOAS had cash (book balances) totaling \$3,069,235 and \$5,030,781 consisting primarily of demand deposit accounts and money market accounts at several financial institutions. These deposits were stated at cost, which approximates market. Accounts are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023 and 2022, the balances in SOAS's cash accounts not covered from loss by the FDIC totaled \$4,228,331 and \$2,815,812, respectively.

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

3. Promises to Give

Promises to give consist of the following at December 31, 2023 and 2022:

	2023	2022
Receivables in Less Than One Year	\$ 1,775,184	\$ 1,335,667
Receivables in One to Five Years	968,500	1,179,861
Receivables in More Than Five Years	-	-
Total Promises to Give	2,743,684	2,515,528
Less: Allowance for Doubtful Accounts	(95,000)	-
Net Promises to Give	\$ 2,648,684	\$ 2,515,528

As of December 31, 2023 and per the Statement of Financial Position, \$391,260 of the net promises to give are restricted by donors for future use by the SOAS Capital Campaign. The remaining \$2,257,424 promises to give as of December 31, 2023, are unrestricted promises to give with no donor restrictions as to their use.

As of December 31, 2022 and per the Statement of Financial Position, \$438,719 of the net promises to give are restricted by donors for future use by the SOAS Scholars and SOAS Capital Campaign. The remaining \$2,126,809 promises to give as of December 31, 2022, are unrestricted promises to give with no donor restrictions as to their use.

4. Property and Equipment

A summary of property and equipment for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Buildings and Improvements	\$ 6,025,472	\$ 6,025,472
Furniture and Equipment	211,982	194,231
Vehicles	108,560	108,560
Computer Software	171,990	39,813
Less: Accumulated Depreciation	(449,869)	(228,037)
Total	\$ 6,068,135	\$ 6,140,039

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$221,834 and \$121,058, respectively.

5. Long-Term Debt

In April 2021, SOAS obtained a note payable with Hancock Whitney Bank for \$2,875,946. The promissory note carries an interest rate of 3.750%. The proceeds from this note were used to purchase building improvements for a new building. The note had a balance due of \$-0- as of December 31, 2023 and \$395,502 as of December 31, 2022.

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

In November 2022, SOAS obtained a note payable with Hancock Whitney Bank for \$374,000. The promissory note carries an interest rate of 5.750%. The proceeds from this note were used to purchase a new building. As of December 31, 2023, the remaining balance of this loan was \$-0-.

On April 23, 2022, SOAS purchased a 2022 Ford Explorer for \$40,716. This vehicle is being financed for a period of 48 months at 2.90% resulting in monthly payments of \$899.42. As of December 31, 2023, the remaining balance of this loan was \$24,322.

6. Leases

SOAS determines if an arrangement is a lease at the inception. If an arrangement contains a lease, SOAS performs a lease classification test to determine if the lease is an operating lease or a financing lease. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent SOAS's obligation to make lease payments arising from the leases. Financing lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or prepayments, and reduced by any lease incentives and any deferred lease payments. Financing ROU assets are recorded in long-term assets, net on the statement of financial position and amortized on a straight-line basis over the lease term. To determine the present value of the lease payments on lease commencement, SOAS used the implicit rate when readily determinable; however, as most leases do not provide an implicit rate, SOAS utilized a rate used for the purchase of a similar asset.

SOAS has identified four financing leases for vehicles. The following is a summary of SOAS's current financing leases:

- A lease dated March 1, 2021 for a 2021 Ford Expedition, with a lease term of 39 months at 2.90% and monthly lease payments of \$999.30 (\$913.02 base lease payment plus \$86.28 for sales / use tax). The ROU asset has been recorded at \$63,244.38. A purchase option of \$32,104.50 is available for the vehicle at the end of the lease term. SOAS has not decided whether to exercise this option as of December 31, 2023.
- A lease dated March 9, 2021 for a 2021 Ford F-150, with a lease term of 36 months at 2.90% and monthly lease payments of \$699.98 (\$639.54 base lease payment plus \$60.44 for sales / use tax). The ROU asset has been recorded at \$43,902.91. A purchase option of \$23,806.10 is available for the vehicle at the end of the lease term. SOAS has not decided whether to exercise this option as of December 31, 2023.
- A lease dated September 30, 2022 for a 2022 Ford Explorer, with a lease term of 36 months at 2.90% and monthly lease payments of \$705.31 (\$649.23 base lease payment plus \$56.08 for sales / use tax). The ROU asset has been recorded at \$47,389.56. A purchase option of \$27,244.40 is available for the vehicle at the end of the lease term. SOAS has not decided whether to exercise this option as of December 31, 2023.

	2023	2022
Operating Lease Liability, Current Portion	\$ 8,343	\$ 10,059
Operating Lease Liability, Long-Term Portion	91,773	112,749
	\$ 100,116	\$ 122,808

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

As of December 31, 2023 and 2022, the operating ROU assets net of accumulated amortization on the statement of financial position was \$64,073 and \$86,765, respectively. As of December 31, 2023 and 2022, the financing lease liability consisted of the following:

For the year ended December 31, 2023, the total lease cost for SOAS was \$25,126, comprised of \$2,434 of interest costs and \$22,692 of amortization of right to use assets. Future undiscounted cash flows related to SOAS's financing leases are \$13,635 for 2024; and \$5,194 for 2025

7. Fair Value Measurements

The following table reflects assets and liabilities that are measured and carried at fair value on a recurring basis as of December 31, 2023:

	Quoted Prices in Active Markets for Identical Asset or Liability (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
Financial Assets:				
Cash & Cash Equivalents	\$ 4,937,464	\$ -	\$ -	\$ 4,937,464

8. Commitments and Contingencies

Participation in Grant Programs:

SOAS is a recipient of grant funds from various funding sources. The administration of the program and activities funded by the grants are under the control and administration of SOAS and are subject to audit and / or review by the applicable funding source. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

9. Net Assets with Donor Restrictions

SOAS's net assets with donor restrictions at December 31 consisted of the following:

	2023	2022
Son of a Saint Scholars	\$ 2,354,670	\$ 2,147,684
Capital Campaign	753,763	758,153
Total	<u>\$ 3,108,433</u>	<u>\$ 2,905,837</u>

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

10. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by satisfaction of the restricted purposes during the years ended December 31, as follows:

	2023	2022
Son of a Saint Scholars	\$ 379,856	\$ 229,638
Capital Campaign	844,832	1,950,383
Total	\$ 1,224,688	\$ 2,180,021

11. Liquidity and Availability of Financial Assets

The following reflects SOAS's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor-restricted amounts that are available for general expenditure in the following year.

	2023	2022
Financial Assets, at Year-End:		
Cash and Cash Equivalents	\$ 2,582,780	\$ 1,048,735
Accounts Receivable, Net	2,257,424	2,076,809
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	\$ 4,840,204	\$ 3,125,544

12. Board of Directors Compensation

The Board of Directors operates on a voluntary basis. As such, there were no payments made to any Board Member during the twelve months ended December 31, 2023 or December 31, 2022 for services.

13. Prior Period Adjustment

SOAS adopted ASU 2016-02, *Leases* (Topic 842) for the year ended December 31, 2022. In accordance with FASB ASC 842-10-65-1(c)(2), SOAS has adopted the leasing standard retrospectively at the beginning of the period of adoption (January 1, 2023) through a cumulative-effect adjustment. Under this transition method, the application date shall be the beginning of the reporting period in which the entity first applies the standard. See Footnote 6 for further disclosure of SOAS's leases and the effect of the adoption of Topic 842 on SOAS's statement of financial position and statement of activities.

An adjustment of (\$21,123) was made to Beginning Net Assets for the cumulative effect of recording the right to use assets and related accumulated amortization as well as the lease liabilities related to the financing leases

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2023

14. Subsequent Events

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, March 11, 2024.

In February of 2024, a donor granted Son of a Saint a pledge of \$5,000,000 to be allocated evenly in the amount of \$1,000,000 over five years. This money will be used to help start the future Son of a Saint Foundation Endowment.

No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.