

SON OF A SAINT
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Son of a Saint
New Orleans, Louisiana
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December 31, 2024 and 2023

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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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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.

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.

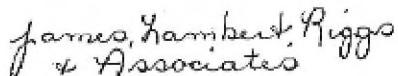
In performing an audit in accordance with generally accepted auditing standards, we:

- 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 18 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

March 14, 2025

Financial Statements

Son of a Saint
New Orleans, Louisiana
Statements of Financial Position
December 31, 2024 and 2023

Exhibit A

Assets	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and Cash Equivalents	\$ 2,258,283	\$ 2,582,780
Promises to Give, Net	2,450,790	2,257,424
Investments	100,103	100,000
Prepaid Insurance	49,826	166,090
Total Current Assets	<u>4,859,002</u>	<u>5,106,294</u>
Restricted Assets:		
Restricted Cash and Cash Equivalents:		
SOAS Scholars	5,260,968	2,354,670
Capital Campaign	75,830	14
Restricted Promises to Give	4,392,958	391,260
Restricted Investments	1,040,926	-
Total Restricted Assets	<u>10,770,682</u>	<u>2,745,944</u>
Property & Equipment:		
Construction in Process	10,979	-
Buildings and Improvements	6,052,022	6,025,472
Furniture and Equipment	230,729	211,982
Vehicles	138,195	108,560
Software Development	177,177	171,990
Less: Accumulated Depreciation	(658,788)	(449,869)
Total Property & Equipment	<u>5,950,314</u>	<u>6,068,135</u>
Other Assets:		
Right of Use Assets, Net	93,453	64,073
Total Other Assets	<u>93,453</u>	<u>64,073</u>
Total Assets	<u><u>\$ 21,673,451</u></u>	<u><u>\$ 13,984,446</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 259,844	\$ 142,797
Lease Obligation, Short Term	8,037	8,343
Vehicle Note Payable, Short Term	10,245	10,367
Total Current Liabilities	<u>278,126</u>	<u>161,507</u>
Long Term Liabilities:		
Lease Obligation, Long Term	88,419	91,773
Vehicle Note Payable, Long Term	2,636	13,519
Total Long Term Liabilities	<u>91,055</u>	<u>105,292</u>
Total Liabilities	<u><u>369,181</u></u>	<u><u>266,799</u></u>
Net Assets:		
Without Donor Restrictions	10,087,593	10,609,214
With Donor Restrictions	11,216,677	3,108,433
Total Net Assets	<u>21,304,270</u>	<u>13,717,647</u>
Total Liabilities and Net Assets	<u><u>\$ 21,673,451</u></u>	<u><u>\$ 13,984,446</u></u>

The accompanying notes are an integral part of these financial statements

Son of a Saint
New Orleans, Louisiana
Statements of Activities
For the Year Ended December 31, 2024 and 2023

Exhibit B

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Contributed Support:						
Grants	\$ 435,175	\$ -	\$ 435,175	\$ -	\$ 647,737	\$ 647,737
Donations	3,988,288	351,484	4,339,772	5,254,084	-	5,254,084
In-Kind Donations	714,112	-	714,112	919,749	-	919,749
Capital Campaign	-	-	-	-	4,200	4,200
SOAS Scholars Income	-	3,101,795	3,101,795	-	775,347	775,347
SOAS Endowment Fund	-	5,560,000	5,560,000	-	-	-
Earned Revenue:						
Other Income	31,818	-	31,818	11,814	-	11,814
Rental Income	8,750	-	8,750	32,985	-	32,985
Investment Income / (Loss)	3,284	105,935	109,219	655,436	-	655,436
Net Assets Released from Restrictions	443,941	(443,941)	-	844,832	(844,832)	-
Total Revenues and Other Support	5,625,368	8,675,273	14,300,641	7,718,900	582,452	8,301,352
Expenses:						
Program Services	4,217,190	567,029	4,784,219	3,398,774	379,856	3,778,630
Supportive Services:						
General and Administrative	458,552	-	458,552	410,426	-	410,426
Fundraising	1,471,248	-	1,471,248	1,156,333	-	1,156,333
Total Expenses	6,146,989	567,029	6,714,018	4,965,532	379,856	5,345,388
Total Change in Net Assets	(521,621)	8,108,244	7,586,623	2,753,368	202,596	2,955,964
Net Assets:						
Beginning of the Year	10,609,214	3,108,433	13,717,647	7,855,846	2,905,837	10,761,683
End of the Year	\$ 10,087,593	\$ 11,216,677	\$ 21,304,270	\$ 10,609,214	\$ 3,108,433	\$ 13,717,647

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, 2024

Exhibit C

	Program Services	General & Administrative	Fundraising	Total
Payroll Salary	\$ 1,486,663	\$ 267,923	\$ 458,444	\$ 2,213,030
Fringe Benefits	289,423	54,611	82,001	426,035
Donor Cultivation	-	-	67,339	67,339
Stipend / Scholarships	572,608	-	-	572,608
Staff Development	56,737	-	216	56,953
Transportation	196,916	-	-	196,916
Program Expenses	254,419	-	-	254,419
In-Kind Expenses	497,742	-	216,370	714,112
Depreciation	186,477	48,786	-	235,262
Contract Expenses	159,433	15,880	-	175,313
Sales and Marketing	-	-	127,154	127,154
Partnership Expenses	9,848	-	-	9,848
Utilities	76,918	-	-	76,918
Lease Expense	26,617	-	-	26,617
Fundraising	-	-	467,754	467,754
Bank Service Charges	-	876	-	876
Processing Fees	-	49	-	49
Grant Writing	-	-	79	79
Mentor and Intern Pay	57,215	-	-	57,215
Board Expenses	-	5,868	-	5,868
Insurance	82,067	-	-	82,067
Printing and Postage	10,632	-	-	10,632
Books and Subscriptions	52,663	4,656	-	57,319
Supplies	40,399	4,053	-	44,452
Technology Expense	32,993	3,666	-	36,659
Telecommunications	27,212	3,024	-	30,235
Other Expenses	122,440	27,877	-	150,317
Travel	22,673	4,047	46,145	72,865
Repairs & Maintenance	34,474	17,237	5,746	57,456
Bad Debt Expense	424,400	-	-	424,400
Interest Expense	-	-	-	-
Educational Expenses	63,251	-	-	63,251
Total Expenses	<u>\$ 4,784,219</u>	<u>\$ 458,552</u>	<u>\$ 1,471,248</u>	<u>\$ 6,714,018</u>
Percentage of Total Expenses	<u>71.26%</u>	<u>6.83%</u>	<u>21.91%</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, 2023

Exhibit C
(Continued)

	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	117,656
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	<u>\$ 3,778,630</u>	<u>\$ 410,426</u>	<u>\$ 1,156,333</u>	<u>\$ 5,345,388</u>
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
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Exhibit D

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 7,586,623	\$ 2,955,964
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation and Right of Use Assets Amortization	256,637	244,526
Changes in Operating Assets and Liabilities:		
Grants Receivable	(4,195,064)	(131,306)
Investments	(1,041,029)	(99,800)
Prepaid Insurance	116,264	(93,121)
Deferred Revenue	-	(50,000)
Accounts Payable	117,047	(138,537)
Net Cash Provided by Operating Activities	<u>2,840,478</u>	<u>2,687,726</u>
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	<u>(122,090)</u>	<u>(148,051)</u>
Net Cash Used in Investing Activities	<u>(122,090)</u>	<u>(148,051)</u>
Cash Flows from Financing Activities:		
Principal Payments on Notes Payable	-	(766,246)
Drawdowns from Line of Credit	-	-
Payments on Line of Credit	-	-
Issuance of Vehicle Note Payable	-	-
Principal Payment of Vehicle Note Payable	(11,005)	(10,367)
Payments of Principal on Finance Leases	(49,766)	(26,421)
Net Cash Provided by (Used in) Financing Activities	<u>(60,771)</u>	<u>(803,034)</u>
Net Change in Cash and Cash Equivalents	2,657,617	1,736,641
Cash and Cash Equivalents - Beginning of the Year	<u>4,937,464</u>	<u>3,200,823</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 7,595,081</u>	<u>\$ 4,937,464</u>
Supplemental Disclosure of Cash Flow Information		
Cash and Cash Equivalents per Exhibit A	\$ 2,258,283	\$ 2,582,780
Restricted Cash and Cash Equivalents per Exhibit A	5,336,798	2,354,684
	<u>\$ 7,595,081</u>	<u>\$ 4,937,464</u>
Cash Paid for Interest	<u>\$ -</u>	<u>\$ 38,315</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, 2024

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, 2024

- 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 – SOAS 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, SOAS Capital Campaign and the SOAS Endowment Fund 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, 2024

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. Investments

Investments are generally carried at fair market value. Investments acquired through donations are recorded at fair market value on the date of donation. Unrealized gains and losses are recorded as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Interest earned on donor restricted investments is reported based on the existence or absence of donor imposed restrictions. Realized and unrealized gains and losses are included in the Statement of Activities.

E. 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, 2024 and 2023.

F. 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.

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

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

G. 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, 2024 and 2023 was \$714,112 and \$919,749, respectively, which are recorded in the accompanying financial statements. Included in the 2024 fair market value of donated services is \$230,000 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, 2024 and 2023, volunteer workers donated an estimated 8,521 and 3,043 hours of time, respectively. The estimated value based on volunteer rates is \$241,626 for December 31, 2024 and \$70,510 for December 31, 2023, which are also recorded in the accompanying financial statements.

H. 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, 2021, 2022 and 2023 are subject to examination by the IRS, generally for three years after they were filed.

I. 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.

J. Concentrations

Cash on Deposit and Uninsured Balances.

SOAS maintains its cash and cash equivalent balances at various financial institutions. As of December 31, 2024 and 2023, the balances in SOAS's cash and cash equivalents not covered from loss by the FDIC totaled \$7,299,990 and \$4,228,331, respectively.

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

Concentration of Revenue.

For the fiscal year ended December 31, 2024, \$10,016,185 or approximately 75 percent of the SOAS's donated revenues were received from fourteen (14) individual and corporate donors concentrated primarily in the City of New Orleans, Louisiana.

K. 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.

L. 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.

M. 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, 2024 and 2023, SOAS had cash (bank balances) totaling \$7,601,728 and \$4,501,197 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, 2024 and 2023, the balances in SOAS's cash accounts not covered from loss by the FDIC totaled \$7,299,990 and \$4,228,331, respectively.

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

3. Promises to Give

Promises to give consist of the following at December 31, 2024 and 2023.

	2024	2023
Receivables in Less Than One Year	\$ 2,318,748	\$ 1,775,184
Receivables in One to Five Years	4,525,000	968,500
Receivables in More Than Five Years	-	-
Total Promises to Give	6,843,748	2,743,684
Less: Allowance for Doubtful Accounts	-	(95,000)
Net Promises to Give	<u>\$ 6,843,748</u>	<u>\$ 2,648,684</u>

As of December 31, 2024 and per the Statement of Financial Position, \$4,392,958 of the net promises to give are restricted by donors for future use by the SOAS Endowment Fund and SOAS Capital Campaign. The remaining \$2,450,790 promises to give as of December 31, 2024, are unrestricted promises to give with no donor restrictions as to their use.

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.

Management estimates that receivables presented will be collected in full. However, as management becomes aware of information that would change its assessment about the collectability of these receivables, management will write off the receivables as bad debts at that time. Bad debt expense for the years ended December 31, 2024 and 2023 amounted to \$424,000 and \$103,388, respectively.

4. Property and Equipment

A summary of property and equipment for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Construction in Progress	\$ 10,979	\$ -
Buildings and Improvements	6,052,022	6,025,472
Furniture and Equipment	230,729	211,982
Vehicles	138,195	108,560
Computer Software	177,177	171,990
Less: Accumulated Depreciation	(658,788)	(449,869)
Total	<u>\$ 5,950,314</u>	<u>\$ 6,068,135</u>

Depreciation expense for the years ended December 31, 2024 and 2023 amounted to \$235,262 and \$221,834, respectively.

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

5. Long-Term Debt

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, 2024, the remaining balance of this loan was \$12,881.

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 decided to exercise this purchase option as of December 31, 2024.
- 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 decided to exercise this purchase option as of December 31, 2024.
- 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, 2024.
- A lease dated April 12, 2024 for a 2024 Ford Expedition, with a lease term of 38 months at 2.90% and monthly lease payments of \$1,293.92 (\$1,182.50 base lease payment plus \$111.42 for sales / use tax). The ROU asset has been recorded at \$73,963.67. A purchase option of \$33,951.60 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, 2024.

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

As of December 31, 2024 and 2023, the operating ROU assets net of accumulated amortization on the statement of financial position was \$93,453 and \$64,073, respectively. As of December 31, 2024 and 2023, the financing lease liability consisted of the following:

	2024	2023
Operating Lease Liability, Current Portion	\$ 8,037	\$ 8,343
Operating Lease Liability, Long-Term Portion	88,419	91,773
	<u>\$ 96,456</u>	<u>\$ 100,116</u>

For the year ended December 31, 2024, the total lease cost for SOAS was \$26,617, comprised of \$2,836 of interest costs, \$21,375 of amortization of right to use assets and \$2,406 of other lease expenses. Future undiscounted cash flows related to SOAS's financing leases are \$19,384 for 2025, \$14,190 for 2026, and \$5,913 for 2027.

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, 2024.

	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	\$ 7,595,081	\$ -	\$ -	\$ 7,595,081

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:

	2024	2023
Son of a Saint Scholars	\$ 5,240,920	\$ 2,354,670
Capital Campaign	124,831	753,763
Endowment Fund	5,850,926	-
Total	<u>\$ 11,216,677</u>	<u>\$ 3,108,433</u>

Son of a Saint
New Orleans, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

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:

	2024	2023
Son of a Saint Scholars	\$ 632,038	\$ 379,856
Capital Campaign	628,932	844,832
Endowment Fund	(250,000)	-
Total	<u>\$ 1,010,970</u>	<u>\$ 1,224,688</u>

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.

	2024	2023
Financial Assets, at Year-End:		
Cash and Cash Equivalents	\$ 2,258,283	\$ 2,582,780
Accounts Receivable, Net	<u>2,450,790</u>	<u>2,257,424</u>
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	<u>\$ 4,709,073</u>	<u>\$ 4,840,204</u>

12. Endowment Fund

The SOAS endowment fund was established for the purposes of fulfilling their mission and accomplishing their goals. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions. Earnings, including interest, that are not required by the donor to be reinvested in corpus are maintained in net assets without donor restrictions. As of December 31, 2024, endowment assets are invested in an interest earning certificate of deposit account identified on the Statements of Financial Position as Restricted Investments.

13. 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, 2024 or December 31, 2023 for services.

14. Subsequent Events

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, March 14, 2025. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Son of a Saint
New Orleans, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2024

Schedule 1

Agency Head: Bivian 'Sonny' Lee III, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ -</u>

There were no payments for the benefit of the Chief Executive Officer that were derived from the public funds (state and / or local governmental funds and / or federal funds passed through a state or local government agency) that the Organization receives.

See auditor's report.