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SAVE OUR SONS, INCORPORATED
MONROE, LOUISIANA

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date *12/18/98*

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SAVE OUR SONS, INCORPORATED
Monroe, Louisiana
Financial Statements
and Independent Auditor's Report
As of and for the Year Ended June 30, 1997

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- Accounting Services
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LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
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American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Save Our Sons, Incorporated
Monroe, Louisiana

I have audited the accompanying statement of financial position of Save Our Sons, Incorporated (a nonprofit organization) as of June 30, 1997, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Save Our Sons, Incorporated as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all essential respects in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT

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A handwritten signature in cursive script that reads "Louis B. Bradley".

Louis B. Bradley

Certified Public Accountant

Monroe, Louisiana

December 11, 1997

FINANCIAL STATEMENTS

SAVE OUR BONS, INCORPORATED
Statement of Financial Position
June 30, 1997

Assets

Cash and cash equivalents	\$	1,479
Property, plant, equipment		<u>1,080</u>
Total Assets		<u>2,559</u>

Liabilities and Net Assets**Liabilities:**

Accrued liabilities		<u>1,479</u>
Total liabilities		<u>1,479</u>

Net Assets:

Distributed:		
Investment in fixed assets		<u>1,080</u>
Total undistributed		<u>1,280</u>
Temporarily restricted:		<u>-</u>
Total net assets		<u>1,280</u>
Total liabilities and net assets		<u>2,559</u>

See accompanying notes to financial statements.

SAVE OUR SONS, INCORPORATED
Statement of Activities
For the Year Ended June 30, 1987

UNRESTRICTED NET ASSETS

Support	
Grants	\$ -
Other support	-
TOTAL UNRESTRICTED SUPPORT	<u>-</u>
Net assets released from restrictions	
Restrictions satisfied by payments	32,800
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	<u>32,800</u>
Expenses	
General and administrative expenses	18,564
Program expenses	12,888
Total expenses	<u>31,452</u>
Change in unrestricted net assets	<u>1,348</u>

TEMPORARILY RESTRICTED NET ASSETS

Grants	
Louisiana Department of Education	32,800
Net assets released from restrictions	<u>32,800</u>
Restrictions satisfied by payments	-
Change in temporarily restricted net assets	<u>-</u>
Net assets as of beginning of year, as included	<u>1,352</u>
Net assets as of end of year	<u><u>2,700</u></u>

See accompanying notes to financial statements.

SAVE OUR SOULS, INCORPORATED
Statement of Cash Flows
For the Year Ended
June 30, 1997

	<u>All Funds</u>
Operating activities	
Change in net assets	<u>1</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease (increase) in accounts receivable	-
Decrease (increase) in grants receivable	2,956
Increase (decrease) in accounts payable/accrued liabilities	<u>(3,470)</u>
Total adjustments	<u>(1,414)</u>
Net cash provided by operating activities	<u>(1,414)</u>
Cash and cash equivalents as of beginning of year	-
Cash and cash equivalents as of the end of year	<u><u>3</u></u>

See accompanying notes to financial statements.

SAVE OUR SOHS, INCORPORATED

Statement of Functional Expenses
For the Year Ended
June 30, 1997

	<u>General and Administrative</u>	<u>Program Services</u>	<u>Total Expenses</u>
Personnel Costs			
Salaries and wages	10,810	-	10,810
Payroll taxes and other fringe benefits	830	-	830
Total personnel costs	<u>11,640</u>	<u>-</u>	<u>11,640</u>
Other expenses			
Accounting	1,181	-	1,181
Bank Charges	126	-	126
Commodities	-	1,501	1,501
Other Facilities	-	2,250	2,250
Other Program Costs	-	2,367	2,367
Outreach Video	-	2,587	2,587
Postage	179	-	179
Printing	2,790	-	2,790
Rent	1,294	-	1,294
Telephone	210	-	210
Travel	-	-	-
Total other expenses	<u>6,681</u>	<u>13,696</u>	<u>20,378</u>
Total Functional Expenses	<u><u>18,321</u></u>	<u><u>13,696</u></u>	<u><u>32,018</u></u>

See accompanying notes to financial statements.

NOTES AND OTHER INDEPENDENT AUDITOR'S REPORTS

Save Our Sons, Incorporated

Monroe, Louisiana

Notes to the Financial Statement
As of and for the Year Ended June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

The Save Our Sons, Incorporated is a private non-profit organization domiciled in the State of Louisiana at Monroe, Louisiana. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. The objective of the Organization is to reduce substance and drug abuse among youths ranging from grades 1 to 12. The goals and objectives of the Organization is to reduce crime, poverty, and illiteracy in youths and young adults in the community. The goals and objectives will be obtained by educating the youth and changing the attitudes of "high risk" youths by providing developmental workshops or seminars, community service activities, and parental involvement. The Organization is governed by a Board of Directors consisting of members. The Board Members receive no compensation.

B. Basis of Presentation

Previously, the Organization followed standards of accounting and financial reporting for voluntary health and welfare organizations as described in the American Institute of Certified Public Accountants' "Industry Guide for Audits of Voluntary Health and Welfare Organizations." For the period ending June 30, 1997, the Organization adopted the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations* by restating net assets as of June 30, 1997. Statement No. 118 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair value. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

C. Public Support and Revenue

Revenue and public support consists mainly of state and private grants, fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The Organization had no estimates for the period ending June 30, 1997.

E. Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Organization had no cash equivalents during the audit period. On June 30, 1997, Save Our Sons, Incorporated had cash totaling \$ 1419 as follows:

Unrestricted	\$ 1419
Temporarily Restricted	-
Total Cash	<u>\$ 1419</u>

2. CHANGES IN ACCOUNTING PRINCIPLES

The Organization adopted the provisions of Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations* by restating net assets as of June 30, 1997. Statement No. 116 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows. The Organization adopted Statement No. 116 by restating net assets as of June 30, 1997. The adoption of Statement No. 116 did not affect any change in net assets.

3. PENSION PLAN

The Organization does not have a retirement program for its employees and its employees are not members of the State of Louisiana Retirement System. All employees of the Organization are members of the Social Security System. In addition to the employer's contribution of 7.65 percent, the agency contributes an equal amount to the Social Security System. Pension cost for the year was .

Organization does not guarantee the benefits granted by the Social Security System.

4. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Save Our Sons, Incorporated
Monroe, Louisiana
Notes to the Financial Statements (Continued)
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5. ACCRUED LIABILITIES

At June 30, 1997, the Organization had accrued liabilities totaling \$ 9099.

6. GENERAL FIXED ASSETS

Fixed Assets used in the non-profit organization are accounted for in the State Grant Fund and are stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. A summary of changes in general fixed assets for the year ended June 30, 1997, follows:

7/01/96	\$ 1280.00
Additions	
Deletions	
6/30/97	<u>\$ 1280.00</u>

No depreciation is taken on fixed assets.

7. BUDGET PRACTICES

The Organization prepares an annual budget which is approved by the Board of Directors prior to being submitted to the granting authority. As a result, "budgeted and actual" comparative statements are presented as supplemental information.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To Save Our Sons, Incorporated
Monroe, Louisiana

I have audited the statement of financial position of Save Our Sons, Incorporated and the related statements of activities, cash flows, and functional expenses as of and for the year ended June 30, 1997, and have issued my report thereon dated December 11, 1997. I conducted My audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Save Our Sons, Incorporated's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Save Our Sons, Incorporated's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted no matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Save Our Sons, Incorporated's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended for the information of the Legislative entities, the Louisiana Department of Urban Affairs and Development. However, this report is a matter of public record and its distribution is not limited.



Louis R. Bradley
Certified Public Accountant

December 11, 1997
Monroe, Louisiana

SUPPLEMENTAL INFORMATION

SAVE OUR SONS, INCORPORATED
Monroe, Louisiana

SCHEDULE OF FUND DESCRIPTION

As of and for the Year ended June 30, 1997

RESTRICTED FUND:

COMMUNITY SERVICES:

Revenues in the restricted fund are used to provide developmental workshops/seminars, community service activities, and parental involvement to parents and young adults. Funding of the program is provided by the State of Louisiana.

SAVE OUR SONS, INCORPORATED
 Schedule of Activities - Budget to Actual
 For the Year Ended June 30, 1987

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue:			
Grants	32,000	32,000	-
Other Income	-	-	-
Total revenue	<u>32,000</u>	<u>32,000</u>	<u>-</u>
Personnel Costs			
Salaries and wages	7,542	10,850	(3,308)
Payroll taxes and other fringe benefits	1,453	833	620
Total personnel costs	<u>9,000</u>	<u>11,680</u>	<u>(2,680)</u>
Other expenses			
Accounting	1,200	1,188	12
Bank Charges	-	120	(120)
Consultant	1,553	1,840	1
Other Fisheries	6,800	7,250	2,650
Other Programs Costs	1,952	2,287	(710)
Outreach Video	3,000	2,587	413
Postage	100	119	(19)
Rent	3,000	3,700	(100)
Telephone	1,800	1,204	596
Travel	-	238	(238)
Total other expenses	<u>20,705</u>	<u>20,320</u>	<u>2,388</u>
Total expenses	<u>32,705</u>	<u>32,000</u>	<u>-</u>
Change in net assets	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.