

**SON OF A SAINT**

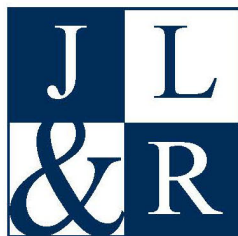
**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Son of a Saint**  
**New Orleans, Louisiana**  
Table of Contents  
December 31, 2021 and 2020

	<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 - 16

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## Independent Auditor's Report

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

### ***Opinion***

We have audited the accompanying financial statements of Son of a Saint (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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, 2021, 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.

Son of a Saint  
May 4, 2022

***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, including omissions, 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*

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

May 4, 2022

## **Financial Statements**

**Son of a Saint**  
**New Orleans, Louisiana**  
Statements of Financial Position  
December 31, 2021 and 2020

Exhibit A

	2021	2020 (Restated)
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,886,799	\$ 650,787
Promises to Give, Net	1,813,226	742,384
Investments	51,200	-
Prepaid Insurance	-	18,745
Total Current Assets	3,751,225	1,411,916
Restricted Assets:		
Restricted Cash and Cash Equivalents:		
SOAS Scholars	1,891,824	677,383
Capital Campaign	1,161,001	530,794
Restricted Promises to Give	646,338	737,062
Total Restricted Assets	3,699,163	1,945,239
Property & Equipment:		
Construction in Process	1,496,062	49,978
Buildings and Improvements	1,720,575	1,720,575
Furniture and Equipment	113,933	-
Vehicles	67,844	67,844
Software Development	19,000	13,000
Less: Accumulated Depreciation	(106,978)	(47,299)
Total Property & Equipment	3,310,436	1,804,098
Total Assets	\$ 10,760,824	\$ 5,161,253
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts Payable	2,156	3,379
Note Payable	1,004,124	-
Total Current Liabilities	1,006,280	3,379
Total Liabilities	1,006,280	3,379
Net Assets:		
Without Donor Restrictions	6,208,970	3,371,224
With Donor Restrictions	3,545,574	1,786,650
Total Net Assets	9,754,544	5,157,874
Total Liabilities and Net Assets	\$ 10,760,824	\$ 5,161,253

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, 2021 and 2020

	2021			2020 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:						
Contributed Support:						
Grants	\$ 695,872	\$ -	\$ 695,872	\$ 381,549	\$ -	\$ 381,549
Donations	4,385,310	2,492,782	6,878,092	2,303,983	3,349,273	5,653,256
In-Kind Donations	920,354	-	920,354	710,601	-	710,601
School Contract Income	(1,678)	-	(1,678)	(440)	-	(440)
Other Income	30,380	-	30,380	16,320	-	16,320
Investment Income / (Loss)	-	-	-	-	-	-
Net Assets Released from Restrictions	568,118	(568,118)	-	1,691,178	(1,691,178)	-
Total Revenues and Other Support	6,598,356	1,924,664	8,523,020	5,103,191	1,658,095	6,761,286
Expenses:						
Program Services	2,648,802	165,740	2,814,542	1,770,423	116,878	1,887,301
Supportive Services:						
General and Administrative	331,245	-	331,245	253,353	-	253,353
Fundraising	784,893	-	784,893	477,467	-	477,467
Total Expenses	3,764,940	165,740	3,930,680	2,501,243	116,878	2,618,121
Total Net Operating Income	2,833,416	1,758,924	4,592,340	2,601,948	1,541,217	4,143,165
Other Revenues / Expenses:						
COVID Payroll Protection Program (PPP) Loan	-	-	-	109,300	-	109,300
Total Other Revenues / Expenses	-	-	-	109,300	-	109,300
Change in Net Assets	2,833,416	1,758,924	4,592,340	2,711,248	1,541,217	4,252,465
Net Assets:						
Beginning of the Year, Originally Stated	3,371,224	1,786,650	5,157,874	659,976	245,433	905,409
Prior Period Adjustment	4,330	-	4,330	-	-	-
Beginning of the Year, Restated	3,375,554	1,786,650	5,162,204	659,976	245,433	905,409
End of the Year	\$ 6,208,970	\$ 3,545,574	\$ 9,754,544	\$ 3,371,224	\$ 1,786,650	\$ 5,157,874

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, 2021

Exhibit C

	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll Salary	\$ 579,749	\$ 86,462	\$ 375,649	\$ 1,041,860
Fringe Benefits	276,421	8,136	112,373	396,930
Donor Cultivation	-	15	23,339	23,354
Stipend / Scholarships	160,280	-	-	160,280
Staff Development	-	-	14,945	14,945
Transportation	-	-	39,841	39,841
Program Expenses	412,418	-	-	412,418
In-Kind Expenses	866,604	43,000	10,750	920,354
Depreciation	59,679	-	-	59,679
Contract Expenses	-	17,613	559	18,172
Sales and Marketing	-	53,217	-	53,217
Rent	63,263	-	-	63,263
Fundraising	-	-	191,187	191,187
Bank Service Charges	-	13,392	-	13,392
Processing Fees	-	10,542	-	10,542
Board Expenses	-	2,147	-	2,147
Insurance	87,900	12,327	-	100,227
Printing and Postage	3,911	2,595	-	6,506
Books and Subscriptions	3,716	16,886	-	20,602
Supplies	141,976	420	-	142,396
Technology Expense	9,482	8,429	-	17,911
Telecommunications	46,379	4,580	-	50,959
Other Expenses	9,240	42,568	16,250	68,058
Travel	32,972	8,916	-	41,888
Repairs & Maintenance	60,552	-	-	60,552
Bad Debt Expense	-	-	-	-
Total Expenses	<u>\$ 2,814,542</u>	<u>\$ 331,245</u>	<u>\$ 784,893</u>	<u>\$ 3,930,680</u>
Percentage of Total Expenses	<u>71.60%</u>	<u>8.43%</u>	<u>19.97%</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, 2020 (Restated)

Exhibit C  
(Continued)

	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll Salary	\$ 441,791	\$ 58,029	\$ 285,617	\$ 785,437
Fringe Benefits	175,161	18,937	83,626	277,724
Donor Cultivation	-	-	7,445	7,445
Stipend / Scholarships	133,831	-	-	133,831
Staff Development	-	-	10,398	10,398
Transportation	-	-	10,895	10,895
Program Expenses	165,342	-	-	165,342
In-Kind Expenses	647,201	1,000	62,400	710,601
Depreciation	45,349	-	-	45,349
Contract Expenses	-	29,011	15,000	44,011
Sales and Marketing	-	32,795	-	32,795
Rent	23,754	-	-	23,754
Fundraising	-	-	2,086	2,086
Bank Service Charges	-	1,518	-	1,518
Processing Fees	-	2,169	-	2,169
Board Expenses	-	961	-	961
Insurance	29,815	56,966	-	86,781
Printing and Postage	6,049	4,686	-	10,735
Books and Subscriptions	3,324	10,507	-	13,831
Supplies	59,617	11,650	-	71,267
Technology Expense	-	4,427	-	4,427
Telecommunications	5,488	-	-	5,488
Other Expenses	28,549	16,745	-	45,294
Travel	12,178	3,952	-	16,130
Repairs & Maintenance	25,830	-	-	25,830
Bad Debt Expense	84,022	-	-	84,022
Total Expenses	<u>\$ 1,887,301</u>	<u>\$ 253,353</u>	<u>\$ 477,467</u>	<u>\$ 2,618,121</u>
Percentage of Total Expenses	<u>72.09%</u>	<u>9.68%</u>	<u>18.24%</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, 2021 and 2020

Exhibit D

	<u>2021</u>	<u>2020</u> (Restated)
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 4,592,340	\$ 4,252,465
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	59,679	45,349
Adjustment to Net Assets	-	-
Changes in Operating Assets and Liabilities:		
Prepaid Insurance	18,745	-
Grants Receivable	(980,118)	(1,458,706)
Investments	(51,200)	32,051
Accounts Payable	3,107	2,053
Net Cash Provided by Operating Activities	<u>3,642,553</u>	<u>2,873,212</u>
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	<u>(1,566,017)</u>	<u>(1,838,397)</u>
Net Cash Used in Investing Activities	<u>(1,566,017)</u>	<u>(1,838,397)</u>
Cash Flows from Financing Activities:		
Note Payable	1,004,124	-
Drawdowns from Line of Credit	1,005,637	1,530,000
Payments on Line of Credit	<u>(1,005,637)</u>	<u>(1,530,000)</u>
Net Cash Provided by (Used in) Financing Activities	<u>1,004,124</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	3,080,660	1,034,815
Cash and Cash Equivalents - Beginning of the Year	<u>1,858,964</u>	<u>824,149</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 4,939,624</u>	<u>\$ 1,858,964</u>
Supplemental Disclosure of Cash Flow Information		
Cash and Cash Equivalents per Exhibit A	\$ 1,886,799	\$ 650,787
Restricted Cash and Cash Equivalents per Exhibit A	<u>3,052,825</u>	<u>1,208,177</u>
	<u>\$ 4,939,624</u>	<u>\$ 1,858,964</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, 2021

## **Introduction**

Son of a Saint (SOAS) is a non-profit organization formed 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:

Group One-on-One 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, teamwork, and integrity. Mentees and mentors also frequent various types of outings, such as sporting events, educational trips, movies, etiquette meals and dining experiences, parades, as well as volunteer activities. Many of SOAS’ mentees are also paired with a dedicated mentor to facilitate an ongoing, one-on-one mentoring relationship.

Behavioral Health – SOAS employs a mental health specialist to provide evaluations and regular ongoing counseling for its mentees.

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 games.

Broadening of Horizons – When opportunities present themselves, Son of a Saint mentees hit the road...or the skies. Through the fulfillment of travel grants, Son of a Saint has taken groups of boys to Washington DC, New Hampshire, Asheville, Houston, Atlanta, Los Angeles, New York, Detroit, Montreal, Costa Rica, Africa, and more.

Tutoring – SOAS pairs boys in need of educational support with qualified tutors. These volunteer educators are all current New Orleans middle school or high school teachers, familiar with the boys’ coursework.

Tuition Assistance – SOAS works to provide middle school and high school scholarships allowing SOAS mentees and others to attend tuition-based schools in the New Orleans area. This is primarily done through Son of a Saint Scholars, which is our Student Tuition Organization selected by the Louisiana Department of Education to help facilitate the state’s Tuition Donation Credit Program

Career + College Readiness – SOAS offers each mentee postsecondary planning support. A coach works 1:1 with boys to help them in identifying interests and goals, forming college and career plans, and connecting them with internship or job-shadowing experiences, along with relevant co-curricular activities to prepare them for life after high school.

## **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.

**Son of a Saint**  
**New Orleans, Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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.

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 asset's carrying value. In that event, a loss is recognized based on the amount by which the carrying

**Son of a Saint**  
**New Orleans, Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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, 2021 and 2020.

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.

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, 2021 and 2020 was \$846,861 and \$594,964, respectively, which are recorded in the accompanying financial statements. Included in the 2021 fair market value of donated services is over \$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, 2021 and 2020, volunteer workers donated an estimated 3,100 and 4,800 hours of time, respectively. The estimated value based on volunteer rates is \$73,492 for December 31, 2021 and \$115,637 for December 31, 2020, 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, 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

**Son of a Saint**  
**New Orleans, Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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, 2021 and 2020, the balances in SOAS's cash and cash equivalents not covered from loss by the FDIC totaled \$4,764,542 and \$1,657,557, respectively.

Concentration of Revenue:

For the fiscal year ended December 31, 2021, \$4,034,000 or approximately 60 percent of the SOAS's donated revenues were received from thirteen (13) individual and corporate donors concentrated primarily in the City of New Orleans, Louisiana.

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. Recent Financial Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. All other leases will fall into one of two categories: 1) Financing leases, similar to capital leases, will require the recognition of an asset and liability, measured at the present value of the lease payments. Interest on the liability will be recognized separately from amortization of the asset and principal repayments will be classified as financing outflows and payments of interest as operating

**Son of a Saint**  
**New Orleans, Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

outflows on the statement of cash flows; 2) Operating leases will also require the recognition of an asset and liability measured at the present value of the lease payments. A single lease cost, consisting of interest on the obligation and amortization of the asset, calculated such that the amortization of the asset will increase as the interest amount decreases resulting in a straight-line recognition of lease expense. All cash outflows will be classified as operating on the statement of cash flows. Lessor accounting remains substantially unchanged with the exception that no leases entered into after the effective date will be classified as leveraged leases. For sale-leaseback transactions, the sale will only be recognized if the criteria in the new revenue recognition standard are met. If there is no sale, the buyer-lessor does not recognize the transaction as a purchase and consideration paid for the asset is treated as a financing transaction. The ASU is effective for the year ended December 31, 2021, but early adoption is permitted. SOAS has not elected to early adopt this standard.

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, 2021 and 2020, SOAS had cash (book balances) totaling \$5,030,781 and \$1,998,337 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, 2021 and 2020, the balances in SOAS's cash accounts not covered from loss by the FDIC totaled \$4,764,542 and \$1,657,557, respectively.

**3. Promises to Give**

Promises to give consist of the following at December 31, 2021 and 2020:

	2021	2020 (Restated)
Receivables in Less Than One Year	\$ 1,236,237	\$ 730,446
Receivables in One to Five Years	1,223,327	749,000
Receivables in More Than Five Years	-	-
Total Promises to Give	<u>2,459,564</u>	<u>1,479,446</u>
Less: Allowance for Doubtful Accounts	-	-
Net Promises to Give	<u>\$ 2,459,564</u>	<u>\$ 1,479,446</u>

**Son of a Saint**  
**New Orleans, Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

As of December 31, 2021 and per the Statement of Financial Position, \$646,338 of the net promises to give are restricted by donors for future use by the SOAS Scholars and SOAS Capital Campaign. The remaining \$1,813,226 and \$742,384 promises to give as of December 31, 2021 and 2020, respectively, 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, 2021 and 2020, is as follows:

	2021	2020 (Restated)
Buildings and Improvements	\$ 3,216,637	\$ 1,770,553
Furniture and Equipment	113,933	-
Vehicles	67,844	67,844
Computer Software	19,000	13,000
Less: Accumulated Depreciation	<u>(106,978)</u>	<u>(47,299)</u>
Total	<u>\$ 3,310,436</u>	<u>\$ 1,804,098</u>

Depreciation expense for the years ended December 31, 2021 and 2020, amounted to \$59,679 and \$45,349, respectively.

**5. Long-Term Debt**

On February 26, 2020, SOAS obtained a promissory note with Hancock Whitney Bank for \$1,530,000. The promissory note carried a variable interest rate of not less than 3.750%. The proceeds from this note were used to purchase a building in New Orleans, which was then used as collateral for the building improvements.

The promissory note was fully repaid as of December 31, 2020.

In April 2021, SOAS obtained a note payable with Hancock Whitney Bank for \$2,875,946. The promissory note carried an interest rate of 3.750%. The proceeds from this note were used to purchase building improvements for the new building purchased in 2020.

The note has a balance due of \$1,004,124 as of December 31, 2021.



**Son of a Saint**  
**New Orleans, Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**6. 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, 2021:

	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	\$ 4,939,624	\$ -	\$ -	\$ 4,939,624

**7. 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.

**8. Net Assets with Donor Restrictions**

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

	2021	2020 (Restated)
Son of a Saint Scholars	\$ 1,891,824	\$ 677,383
Capital Campaign	1,653,750	1,109,267
Total	<u>\$ 3,545,574</u>	<u>\$ 1,786,650</u>

**9. 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:

	2021	2020 (Restated)
Son of a Saint Scholars	\$ 164,559	\$ 109,050
Capital Campaign	569,299	1,699,006
Total	<u>\$ 733,858</u>	<u>\$ 1,808,056</u>

**Son of a Saint**  
**New Orleans, Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**10. 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.

	<u>2021</u>	<u>2020</u> (Restated)
Financial Assets, at Year-End:		
Cash and Cash Equivalents	\$ 1,886,799	\$ 650,787
Accounts Receivable, Net	<u>1,813,226</u>	<u>742,384</u>
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	<u>\$ 3,700,025</u>	<u>\$ 1,393,171</u>

**11. 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, 2021 for services.

**12. Restatement of Prior Year Financial Statements**

The prior year financial statements for SOAS have been restated to reflect information that was reevaluated as of the date of the prior year audit report.

- An adjustment of \$170,000 was made to Accounts Receivable and Donations Income to reflect a change in prior year receivables reevaluated from the prior year audit.
- Other adjustments totaling \$20,765 were made to Fixed Assets and Facilities Expense to reflect a change in the prior year ending equipment balance from the prior year audit.
- Other adjustments totaling \$32,824 were made to Fixed Assets and Interest Expense to reflect a change in the prior year ending equipment balance from the prior year audit.

**13. Subsequent Events**

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, May 4, 2022. No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.