



# **FINANCIAL STATEMENTS**

**BOAT PEOPLE S.O.S. INC.**  
**DECEMBER 31, 2007**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Boat People S.O.S., Inc.  
Falls Church, Virginia

We have audited the accompanying statements of financial position of the Boat People S.O.S Inc. as of December 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Boat People S.O.S. Inc. management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Boat People S.O.S., Inc. as of December 31, 2006, were audited by other auditors whose report dated March 31, 2007, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in government auditing standards issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boat People S.O.S., Inc. as of December 31, 2007 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2008 on our consideration of the Boat People S.O.S., Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report in the single audit section is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Boat People S.O.S., Inc. as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2007, is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is 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 our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "TUBi Group". The letters are stylized and cursive.

Certified Public Accountants

November 10, 2008  
Sterling, VA

BOAT PEOPLE S.O.S., INC.

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>Current Assets:</u>		
Cash	\$ 1,857,668	\$ 2,571,757
Cash Restricted for Matching Funds	-	-
Grants and Other receivables	776,553	531,300
Total current assets	<u>2,634,221</u>	<u>3,103,057</u>
<u>Fixed Assets:</u>		
Furniture and equipment	150,874	150,874
Less: accumulated depreciation	147,939	136,127
Cost less depreciation	<u>2,935</u>	<u>14,747</u>
Other assets	112,546	85,039
Total assets	<u>\$ 2,749,702</u>	<u>\$ 3,202,843</u>
<u>Current Liabilities:</u>		
Accounts payable	\$ 15,033	\$ 71
Compensation	174,455	49,555
Other Liabilities		
Client's Matching Program	-	-
Total current liabilities	<u>189,488</u>	<u>49,626</u>
<u>Net Assets:</u>		
Unrestricted net assets	1,207,480	1,240,218
Temporarily restricted net assets	<u>1,352,734</u>	<u>1,912,999</u>
Total net assets	<u>2,560,214</u>	<u>3,153,217</u>
Total liabilities and net assets	<u>\$ 2,749,702</u>	<u>\$ 3,202,843</u>

See Accompanying Notes to Financial Statements

BOAT PEOPLE S.O.S., INC.

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2007 Total</u>	<u>2006 Total</u>
<u>Revenue:</u>				
Grants - Federal	\$ 5,352,047	\$ 21,094	\$ 5,373,141	\$ 3,935,648
Grants - Other	1,760,903	-	1,760,903	2,642,651
Contributions	152,098	-	152,098	493,520
Services revenue	193,689	-	193,689	233,299
Publication revenue	88,124	-	88,124	102,366
Other revenue	197,909	-	197,909	98,113
Net assets released due to satisfaction of program restrictions	<u>(65,821)</u>	<u>(581,359)</u>	<u>(647,180)</u>	<u>-</u>
 Total revenue	 <u>7,678,949</u>	 <u>(560,265)</u>	 <u>7,118,684</u>	 <u>7,505,597</u>
 <u>Expenditures:</u>				
Wages and benefits	3,633,792	-	3,633,792	3,082,160
Payroll taxes	460,934	-	460,934	197,210
Supplies, printing and postage	228,667	-	228,667	224,883
Non-capitalized equipments & furnitures	87,793	-	87,793	135,432
Leased equipment	7,606	-	7,606	11,017
Occupancy	555,653	-	555,653	530,244
Reimbursements expense	9,734	-	9,734	-
Utilities	58,744	-	58,744	58,975
Program services	308,196	-	308,196	68,066
Insurance	30,369	-	30,369	40,931
Service expense	29,289	-	29,289	-
Telephone	94,568	-	94,568	89,109
Miscellaneous	7,648	-	7,648	22,861
Taxes & Licenses	8,180	-	8,180	3,948
Repairs	8,761	-	8,761	16,866
Publicity	177,796	-	177,796	155,868
Contractors	1,537,056	-	1,537,056	674,144
Professional services	11,678	-	11,678	11,926
Travel and training	291,513	-	291,513	260,006
Dues and subscriptions	5,141	-	5,141	14,405
Fundraising expenses	6,553	-	6,553	-
Bank Service Charges	3,619	-	3,619	1,982
Contributions	136,588	-	136,588	165,300
Depreciation	<u>11,809</u>	<u>-</u>	<u>11,809</u>	<u>32,878</u>
 Total expenses	 <u>7,711,687</u>	 <u>-</u>	 <u>7,711,687</u>	 <u>5,798,211</u>
 Change in net assets	 (32,738)	 (560,265)	 (593,003)	 1,707,386
 Net assets at beginning of year	 <u>1,240,218</u>	 <u>1,912,999</u>	 <u>3,153,217</u>	 <u>1,445,831</u>
 Net assets at end of year	 <u>\$ 1,207,480</u>	 <u>\$ 1,352,734</u>	 <u>\$ 2,560,214</u>	 <u>\$ 3,153,217</u>

See Accompanying Notes to Financial Statements

BOAT PEOPLE S.O.S., INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>Cash flows from operating activities:</u>		
Change in net assets per Statement of Activities	\$ (593,003)	\$ 1,707,386
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation	11,812	32,878
Change in accounts receivable	(245,253)	(79,537)
Change in other assets	(27,507)	3,004
Change in accounts payable	14,962	(51,626)
Change in wages payable	124,900	6,938
Change in other liabilities	-	-
	<hr/>	<hr/>
Net cash (used in) provided by operating activities	(714,089)	1,619,043
<u>Cash flows from investing activities:</u>		
Purchase of equipment	-	-
	<hr/>	<hr/>
Net cash (used in) investing activities	-	-
	<hr/>	<hr/>
Net increase (decrease) in cash	(714,089)	1,619,043
Cash balance at beginning of year	2,571,757	952,714
	<hr/>	<hr/>
Cash balance at end of year	<u>\$ 1,857,668</u>	<u>\$ 2,571,757</u>

See Accompanying Notes to Financial Statements

BOAT PEOPLE S.O.S., INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Boat People S.O.S., Inc. (BPSOS) is a non-profit organization incorporated under the laws of Virginia on February 6, 1991. Its purpose is (a) to help Boat People and other refugees from Vietnam; (b) to increase the public awareness and understanding of the hardships and suffering the Boat People and refugees from Vietnam endure in their search for freedom; (c) to promote cooperation among charitable associations in advancing purposes similar to the ones pursued by the Corporation.

BPSOS derives revenue from Federal and States grants, contributions and from fees it charges for services provided to the Vietnamese community. These services include immigration and naturalization, family reunification, translation, consumer rights protection and special intervention.

The Organization's Headquarters are located in Falls Church, Virginia. It also has satellite facilities in thirteen other cities in the United States

Significant Accounting Policies:

Accounting method

The accompanying financial statements are presented on the accrual basis of accounting.

Recognition

Contributions are recognized as revenue when received unless otherwise designated by the donor, at which time revenue is recognized in accordance with the donor's instructions. Revenue from grants is recognized in amounts equal to the cost incurred to perform the program for which the grant was awarded. Fees are recognized as revenue when cash is received.

Income Tax Status

BPSOS is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b) (1) (A) (VI).

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

BOAT PEOPLE S.O.S., INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

Use of Estimates

The preparation of financial statements in conformity with generally accounting principles require management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates.

Classification of Net Asset

The net assets of BPSOS consist of unrestricted net assets and temporarily restricted net assets. Unrestricted net assets represent that portion of expendable funds that are available to support the operations of BPSOS. Temporarily restricted net assets represent funds that have been designated by a grantor or donor as attributable to a specific purpose.

NOTE-2-OTHER ASSETS

Other assets consist of prepaid security deposit made to the lessor for leased space.

NOTE 3 – PROPERTY PLANT & EQUIPMENT

PP&E consists of tangible assets that (1) have an estimated useful life of 2 or more years, (2) are not intended for sale in the ordinary course of business, and (3) are intended to be used or available for use by the entity. Acquisitions of property and equipment in excess of \$3,000 are capitalized. Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

BOAT PEOPLE S.O.S., INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007

NOTE 4 – OPERATING LEASE OBLIGATIONS

BPSOS has entered into operating leases for its headquarters offices in Falls Church, Virginia and for its service centers in thirteen different cities in the United States which expire at various dates through the year 2014. Rent expense for the years ended December 31, 2007 and December 31, 2006 was \$555,653 and \$530,244 respectively. Future minimum rental payments as of December 31, 2006 under nine long-term, noncancellable leases are set forth as follows:

Years ending December 31:

2008	257,819
2009	241,177
2010	255,865
2011 and thereafter	<u>967,949</u>
Total	\$ 1,722,810

The remaining leases are either on a month-to-month basis or they expire in less than a year.

## SCHEDULE OF FEDERAL AWARDS

Year Ended December 31, 2007

Federal Grantor/Program Title	Federal CFDA Number/Agreement Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>Major Programs:</b>			
Department of Health and Human Services The Office of Family Assistance Healthy Marriage Demonstration, Priority Area 8 Assistance to Refugee Couple	93-086		654,620
Department of Health and Human Services Administration for Children and Families Road to Independence Through Savings and Education/VA Sub total 93-086	93-086		<u>227,762</u> 882,382
FEMA Katrina Aid Today	EMW-2006-GR-0056		2,205,704
Department of Health and Human Services Administration for Children and Families Victims of Torture Assistance Program/VA	93-243		486,105
Department of Health and Human Services Administration for Children and Families Victims of Torture Assistance Program/Tx	93-604		27,040
Department of Labor Occupational Safety and Health Administration Susan Harwood Training grants	17-502		22,770
Department of Labor Occupational Safety and Health Administration Community Awareness Campaign on Occupational Safety 2	91-596		156,994
Department of Health and Human Services Administration for Children and Families Community Awareness Program (CAP-HIV/AIDS)	93-004		151,512
Corporation for National and Community Service AmeriCorps*National Direct Programs	94-006		260,195
Department of Health and Human Services Administration for Children and Families Assistance to Refugee Couple	93-576		252,464
Department of Health and Human Services Administration for Children and Families Neighborhood Empowerment and Support through Teamwork-GA	93-576		125,953
Department of Health and Human Services Administration for Children and Families ERA-PREVENTION	93-576		7,275

Department of Health and Human Services Administration for Children and Families Neighborhood Empowerment and Support through Teamwork-KY	93-576	149,174
Department of Health and Human Services Administration for Children and Families Microenterprise	93-576	11,880
Sub- total 93-576		<u>546,746</u>
<b>Non-Major Programs:</b>		
Department of Health and Human Services Administration on Aging Health Awareness program for Immigrants Vietnamese Americans	93-048	92,982
Department of Health and Human Services Administration on Aging Technical Assistance Centers Program	93-048	111,108
Department of Health and Human Services Administration for Children and Families Senior Medicare Patrol Project	93-048	4,138
Department of the Treasury Internal Revenue Service Tax Assistance for Vietnamese Immigrants with Low Income	21-008	2,780
Department of Justice Office on Violence Against Women Community Against Domestic Violence (CADV-LAV)	2006-WL-AX-0036	143,123
Department of Health and Human Services Administration for Children and Families Road to Independence Through Savings and Education	93-602	68,722
Department of Health and Human Services Administration for Children and Families Community Food And Nutrition Program	93-571	1,928
Department of Commerce Public Telecommunications Facilities Program	11-550	17,723
Department of Health and Human Services Public Health Service Teens Wait Program	93-995	81,957
Department of Health and Human Services Administration for Children and Families Compassion Capital Fund Targeted Building Program - Marriage	93-009	21,643
Department of Health and Human Services Administration for Children and Families Victims of Torture Assistance Program/Conference	93-243	44,280

Department of Health and Human Services Administration for Children and Families Compassion Capital Fund Targeted Building Program - Youth	93-009	29,705
Department of Justice Office for Victims of Crime Metro DC Alliance to Combat Trafficking and Slavery	2007-VT-BX-K003	8,733
Department of Justice Office for Victims of Crime Public Awareness in Underserved Communities	16-582	4,872
<b>Total</b>		<hr/> <b>\$ 5,373,141</b> <hr/>

**BOAT PEOPLE S.O.S., INC.**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2007

**(1) General**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the Boat People S.O.S., Inc. for the year ended December 31, 2007. The Boat People S.O.S., Inc.'s reporting entity is defined in note 1 to Boat People S.O.S., Inc.'s financial statements. The schedule includes expenditures made with federal awards received directly from federal agencies and passed through other governments.

**(2) Basis of Accounting**

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting, which is described in note 1 to the Boat People S.O.S., Inc.'s financial statements.

**BOAT PEOPLE S.O.S., INC.**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2007

**Section I – Summary of Auditors’ Results**

*Financial Statements*

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Reportable condition(s) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified? No

Reportable condition(s) identified that are not considered to be material weaknesses? No

Type of auditors’ report issued on compliance for major programs? Unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? No

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>
93.576	Assistance to Refugee Couple
93.576	Neighborhood Empowerment and Support through Teamwork
93.576	ERA Prevention
93.576	Administration for Children and Families Microenterprise

**BOAT PEOPLE S.O.S., INC.**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2007

93.086	Healthy Marriage Demonstration, Priority Area 8
93.086	Road to Independence Through Savings and Education
EMW-2006-GR-0056	Katrina Aid Today
93.243	Victims of Torture Assistance Program/VA
93.604	Victims of Torture Assistance Program/TX
17.502	Susan Harwood Training grants
91.596	Community Awareness on Occupational Safety 2
93.004	Community Awareness Program (CAP-HIV/AIDS)
94.006	AmeriCorps National Direct Programs

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

**Section II – Financial Statement Findings**

No findings

**Section III – Federal Award Findings and Questioned Costs**

No findings

## BOAT PEOPLE S.O.S., INC.

STATEMENT OF EXPENSES BY PROGRAM AREAS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Federal Grants Program	Other Grants Programs	Community Services Programs	Total Programs	Management and General	Total
Labor Cost	\$ 2,552,765	\$ 1,065,048	\$ 177,723	\$ 3,795,536	\$ 299,190	\$ 4,094,726
Supplies, printing & postage	107,315	45,545	57,505	210,365	18,303	228,668
Repair and maintenance	6,541	1,125	86	7,751	1,010	8,761
Non-capitalized equipments & furnitures	78,084	6,469	1,633	86,185	1,608	87,793
Lease equipment	4,309	1,876	697	6,882	724	7,606
Occupancy & Utilities	385,683	197,139	30,104	612,926	1,471	614,397
Program services	140,218	163,289	1,057	304,564	3,633	308,196
Insurance	9,726	5,216	909	15,852	14,518	30,369
Professional services	2,263			2,263	9,415	11,678
Telephone	59,992	25,495	6,292	91,778	2,790	94,568
Fundraising Expenses		6,553		6,553	-	6,553
Publicity	125,308	39,205	13,283	177,796	-	177,796
Contractors	1,198,666	111,033	7,037	1,316,736	220,320	1,537,056
Travel	134,742	34,955	4,935	174,632	8,914	183,546
Training	81,132	18,890	3,126	103,148	4,820	107,968
Dues and subscriptions	1,947	598	56	2,601	2,540	5,141
Bank Service Charges	359,37	408.00	789.14	1,557	2,062.48	3,619
Contributions	63,827	72,762	-	136,588	-	136,588
Business Tax & License	45	-	105	150	8,030	8,180
Service Expenses	45.00	2,386.09	26,857.77	29,289	-	29,289
Volunteers Reimbursements	2,969	4,428	2,337	9,734	-	9,734
Miscellaneous	22.99			23	7,623	7,646
Depreciation				-	11,809	11,809
<b>Total</b>	<b>\$ 4,955,957</b>	<b>\$ 1,802,420</b>	<b>\$ 334,530</b>	<b>\$ 7,092,907</b>	<b>\$ 618,780</b>	<b>\$ 7,711,687</b>

See Accompanying Notes to Financial Statements



**INDEPENDENT AUDITORS' 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 the Board of Directors of  
Boat People S.O.S., Inc.  
Falls Church, Virginia

We have audited the financial statements of the Boat People S.O.S., Inc. as of and for the year ended December 31, 2007 and have issued our report thereon dated November 10, 2008. We conducted our 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 Boat People S.O.S., Inc. financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Boat People S.O.S., Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Boat People S.O.S., Inc.'s internal control over financial reporting. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in our judgment, could adversely affect Boat People S.O.S., Inc.'s ability to record, process, summarize and report financial data

consistent with the assertions of management in the financial statements. We did not identify any deficiencies that we consider to be reportable conditions, as defined above.

A material weakness is a condition in which the design or the 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 statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all matters in the internal control that might be considered reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors of Boat People S.O.S., Inc., management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Certified Public Accountants

November 10, 2008  
Sterling, VA



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, AND INTERNAL  
CONTROL OVER COMPLIANCE, AND SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of  
Boat People S.O.S., Inc.  
Falls Church, Virginia

Compliance

We have audited the compliance of the Boat People S.O.S., Inc., with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended December 31, 2007. Boat People S.O.S. Inc., major federal programs are identified in the accompanying Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Boat People S.O.S., Inc.'s management. Our responsibility is to express an opinion on Boat People S.O.S., Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boat People S.O.S., Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Boat People S.O.S., Inc.'s compliance with those requirements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Boat People S.O.S., Inc. as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2007, is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is 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 our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Tuba Group". The letters are cursive and fluid, with a long horizontal stroke at the top of the "T" and "G".

Certified Public Accountants

November 10, 2008  
Sterling, VA

**Boat People S.O.S., Inc.**

**Financial Statements  
And Independent Auditor's Reports  
For The Year Ended December 31, 2008**

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for the year ended December 31, 2008
- EXHIBIT "D" - Statement of Expenses By Program Areas  
for the year ended December 31, 2008

### Notes to Financial Statements

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### Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

### Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

### Schedule of Findings and Questioned Costs



DAVIS, SITA & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Boat People SOS, Inc.  
Falls Church, VA

We have audited the accompanying statement of financial position of the Boat People SOS, Inc. as of December 31, 2008, and the related statements of activities, cash flows and expenses by program areas for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boat People SOS, Inc. as of December 31, 2008, the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with Government Auditing Standards, we have also issued a report dated November 17, 2008 on our consideration of the Boat People SOS, Inc. internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Boat People SOS, Inc. taken as a whole. The accompanying schedules of expenditures of federal awards and findings and questioned costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

DAVIS, SITA & COMPANY, P.A.

Certified Public Accountants

November 17, 2009

BOAT PEOPLE S.O.S., INC.STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2008ASSETSCurrent assets:

Cash	\$ 1,533,934
Grants and other receivables	663,406
Prepaid expenses and security deposits	<u>142,603</u>
Total current assets	2,339,943

Property and equipment:

Furniture and equipment	172,566
Leasehold improvements	<u>92,246</u>
Total cost	264,812
Less accumulated depreciation	<u>150,873</u>
Cost less depreciation	<u>113,939</u>
Total assets	<u>\$ 2,453,882</u>

LIABILITIES AND NET ASSETSCurrent liabilities:

Accounts payable and accrued expenses	\$ 157,562
Accrued wages	94,329
Equipment note payable-current portion	3,551
Deferred revenue	<u>389,854</u>
Total current liabilities	645,296

Long-term debt:

Equipment note payable-long term portion	<u>17,584</u>
Total liabilities	662,880

Net assets:

Unrestricted net assets	799,291
Temporarily restricted net assets	<u>991,711</u>
Total net assets	<u>1,791,002</u>
Total liabilities and net assets	<u>\$ 2,453,882</u>

BOAT PEOPLE S.O.S., INC.STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue:</u>			
Grants - Federal	\$ 2,777,873	\$ -	\$ 2,777,873
Grants - States	326,831	-	326,831
Grants - Other	-	943,135	943,135
Contracts	929,793	-	929,793
Contributions	33,416	206,723	240,139
Services revenue	171,908	-	171,908
Publication revenue	54,097	-	54,097
Other revenue	204,763	-	204,763
Interest income	39,879	-	39,879
Net assets released due to satisfaction of program restrictions	<u>1,092,011</u>	<u>(1,092,011)</u>	<u>-</u>
Total revenue	<u>5,630,571</u>	<u>57,847</u>	<u>5,688,418</u>
<u>Expenditures:</u>			
Personnel	2,977,744	-	2,977,744
Fringe benefits	299,152	-	299,152
Payroll Taxes	307,937	-	307,937
Office expenses & supplies	256,699	-	256,699
Rent	618,015	-	618,015
Program activities	356,586	-	356,586
Telephone	81,603	-	81,603
Other	84,461	-	84,461
Publicity	114,090	-	114,090
Contracted services	824,852	-	824,852
Travel & training	144,535	-	144,535
Fundraising expenses	27,999	-	27,999
Depreciation	<u>2,934</u>	<u>-</u>	<u>2,934</u>
Total expenses	<u>6,096,607</u>	<u>-</u>	<u>6,096,607</u>
Change in net assets	(466,036)	57,847	(408,189)
Net assets at beginning of year	<u>1,265,327</u>	<u>933,864</u>	<u>2,199,191</u>
Net assets at end of year	<u>\$ 799,291</u>	<u>\$ 991,711</u>	<u>\$ 1,791,002</u>

See Accompanying Notes to Financial Statements

EXHIBIT "C"

BOAT PEOPLE S.O.S., INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Cash flows from operating activities:

Change in net assets per Exhibit "B"	\$ (408,189)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	2,934
Change in grants and other receivables	113,147
Change in prepaid expenses and security deposits	(30,057)
Change in accounts payable and accrued expenses	142,529
Change in accrued wages	(80,126)
Change in deferred revenue	<u>28,831</u>
Net cash used in operating activities	(230,931)

Cash flows from investing activities:

Purchase of furniture and equipment	(92,246)
Principal payments on equipment note payable	<u>(557)</u>
Net cash used in investing activities	<u>(92,803)</u>
Net decrease in cash	(323,734)
Cash balance at beginning of year	<u>1,857,668</u>
Cash balance at end of year	\$ <u><u>1,533,934</u></u>

Non-cash investing activities:

Financed the purchase of furniture and equipment with an equipment note payable	\$ <u><u>21,692</u></u>
--	-------------------------

## BOAT PEOPLE S.O.S., INC.

STATEMENT OF EXPENSES BY PROGRAM AREAS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Health and Mental Health	Family Services	Community Development	Special Projects	Survivors Services	Others	Total Programs	Management and General	Total
Personnel	\$ 629,271	\$ 522,635	\$ 387,023	\$ 14,591	\$ 358,557	\$ 459,654	\$ 2,371,730	\$ 606,014	\$ 2,977,744
Fringe benefits	126,467	100,807	74,373	3,194	70,779	131,675	507,295	99,794	607,089
Contracted services	84,048	262,135	67,659	400	34,235	198,214	646,691	178,161	824,852
Program activities	27,672	12,576	71,892	109,745	87,373	47,328	356,586	-	356,586
Office expenses & supplies	28,202	37,801	27,022	6,989	21,064	30,283	151,361	105,338	256,699
Travel & training	12,372	29,410	12,858	8,605	12,783	52,101	128,129	16,406	144,535
Publicity	23,119	29,454	21,791	1,590	9,151	26,269	111,374	2,716	114,090
Rent	166,946	171,963	85,096	4,345	75,643	81,371	585,364	32,651	618,015
Communication	18,945	19,207	10,108	1,899	6,456	17,247	73,862	7,741	81,603
Depreciation	-	-	-	-	-	-	-	2,934	2,934
Other	172	795	8,186	556	-	21,086	30,795	53,666	84,461
Fundraising expenses	-	-	-	-	-	27,849	27,849	150	27,999
	<u>\$ 1,117,214</u>	<u>\$ 1,186,783</u>	<u>\$ 766,008</u>	<u>\$ 151,914</u>	<u>\$ 676,041</u>	<u>\$ 1,093,077</u>	<u>\$ 4,991,036</u>	<u>\$ 1,105,571</u>	<u>\$ 6,096,607</u>

BOAT PEOPLE S.O.S., INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

a. Organization

Boat People S.O.S., Inc. (BPSOS) is a non-profit organization incorporated under the laws of Virginia on February 6, 1991. Its purpose is (a) to help Boat People and other refugees from Vietnam; (b) to increase the public awareness and understanding of the hardships and suffering the Boat People and refugees from Vietnam endure in their search for freedom; (c) to promote cooperation among charitable associations in advancing purposes similar to the ones pursued by the Corporation.

BPSOS derives revenue from Federal and States grants, contributions and from fees it charges for services provided to the Vietnamese community. These services include immigration and naturalization, family reunification, translation, consumer rights protection and special intervention.

The Organization's Headquarters are located in Falls Church, Virginia. It also has satellite facilities in fourteen other cities in the United States.

b. Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting and in accordance with Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-for-Profit Organizations."

c. Property and equipment

Property and equipment are stated at cost and are depreciated on a straight line basis over the estimated useful lives of the related assets which are generally three to five years. Leasehold improvements are being amortized over the lives of the leases including options to extend the lease period.

d. Revenue Recognition

Contributions are recognized as revenue when received unless otherwise designated by the donor, at which time revenue is recognized in accordance with the donor's instructions. Revenue from grants is recognized in amounts equal to the cost incurred to perform the program for which the grant was awarded. Fees for services are recognized as revenue when cash is received.

e. Income Tax Status

BPSOS is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. BPSOS has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

f. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BOAT PEOPLE S.O.S., INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

g. Classification of Net Assets

The net assets of BPSOS consist of unrestricted net assets and temporarily restricted net assets. Unrestricted net assets represent that portion of expendable funds that are available to support the operations of BPSOS. Temporarily restricted net assets represent funds that have been designated by a grantor or donor as attributable to a specific purpose.

h. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Expenses by Program Area. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 – GRANTS AND OTHER RECEIVABLES

Grants and other receivables consist of amounts billed to Federal government agencies, state government agencies and other grantors for services provided under the terms of grants or similar documents. Management reviews the list of outstanding receivables periodically to determine if any of the balances are not collectible and if an account is not collectible appropriate adjustments are made. Due to the nature of the grants and due to the sources for the revenue, bad debts are quite rare. If an account needs to be adjusted downward the adjustment is most often a correction to revenue rather than a bad debt expense. Management has determined that the balances receivable as of December 31, 2008 are collectible.

NOTE 3 – DEFERRED REVENUE

Deferred revenue consists of the unearned portion of project funds received as of December 31, 2008. These projects are those that are considered by generally accepted accounting principles to be exchange transactions and therefore are not considered to be temporarily restricted net assets.

NOTE 4 – EQUIPMENT NOTE PAYABLE

BPSOS is obligated under the terms of a financing arrangement made in order to purchase office equipment. The loan is secured by the equipment and is payable in monthly installments of \$465, which include interest at 10.4% per annum. Loan maturities for the next five years are as follows:

2009	\$3,551
2010	3,938
2011	4,368
2012	4,844
2013	<u>4,435</u>
Total	<u>\$21,135</u>

BOAT PEOPLE S.O.S., INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**NOTE 5 – OPERATING LEASE OBLIGATIONS**

BPSOS has entered into a lease for its headquarters offices in Falls Church, Virginia in addition to leases for its service centers in fourteen different cities in the United States. Minimum lease payments on four long-term, noncancellable leases over the next five years are as follows:

2009	\$ 484,579
2010	460,005
2011	438,652
2012	356,658
2013	320,327

The remaining leases are either on a month-to-month basis or they expire in less than a year.

**NOTE 6 - PRIOR PERIOD ADJUSTMENT AND RECLASSIFICATION**

In prior years BPSOS reflected all unspent project funds as temporarily restricted net assets. During 2008 it was determined that a certain portion of those accounts were the result of exchange transaction type arrangements and therefore the unspent balances related to those projects were more appropriately classified as deferred revenue. Accordingly, as of January 1, 2008 \$418,870 was reclassified as deferred revenue as of December 31, 2007. The adjustment resulted in a reduction in temporarily restricted net assets and an increase in deferred revenue as of December 31, 2007.

**NOTE 7 - CONTINGENCY**

BPSOS receives grants from various agencies of the Federal government. Such grants are subject to audit under the provisions of OMB Circular A-133. The ultimate determination of amounts received under Federal government grants is based upon the allowance of costs reported to and accepted by the Federal government as a result of the audits. Audits in accordance with the provisions of OMB Circular A-133 have been completed for all required fiscal years through 2008. Until such audits have been accepted by the United States government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

**NOTE 8 – CONCENTRATION OF CREDIT RISK**

Cash balances:

On December 31, 2008 two bank accounts had balances that exceeded the FDIC insured limit of \$250,000 by a total of \$325,861.

Significant funding source:

During the year ended December 31, 2008 BPSOS received 40% of its total revenue from a single Federal government agency. If a significant reduction in this source of revenue occurs, it may effect the future operations of BPSOS.

BOAT PEOPLE SOS, INC.

SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number/Agreement Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Major Programs:</u>			
Department of Health and Human Services Administration for Children and Families Road to Independence Through Savings and Education/VA	93-086		\$ 257,029
Department of Health and Human Services The Office of Family Assistance Healthy Marriage Demonstration, Priority Area 8 Assistance to Refugee Couple	93-086		487,863
Department of Health and Human Services Administration for Children and Families Neighborhood Empowerment and Support through Teamwork-GA	93-576		117,316
Department of Health and Human Services Administration for Children and Families Neighborhood Empowerment and Support through Teamwork-KY	93-576		178,318
Department of Health and Human Services Administration for Children and Families Microenterprise	93-576		137,556
Department of Health and Human Services Administration for Children and Families Assistance to Refugee Couple	93-576		313,155
Department of Health and Human Services Administration for Children and Families Victims of Torture Assistance Program/VA	93-243		369,896
FEMA Katrina Aid Today		EMW-2006-GR-0056	547,468
Total major programs			<u>2,408,601</u>
<u>Non-Major Programs:</u>			
Department of Labor Occupational Safety and Health Administration Susan Harwood Training grants	17-502		111,139
Department of Labor Occupational Safety and Health Administration Susan Harwood Training grants	17-502		153,430
Department of the Treasury Internal Revenue Service Tax Assistance for Vietnamese Immigrants with Low Income	21-008		41
Department of Justice Office on Violence Against Women Community Against Domestic Violence (CADV-LAV)	2006-WL-AX-0036		91,210
Department of Health and Human Services Administration for Children and Families Victims of Torture Assistance Program/Tx	93-604		7,470
Department of Health and Human Services Administration for Children and Families Road to Independence Through Savings and Education	93-602		23,819

BOAT PEOPLE SOS, INC.

SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number/Agreement Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Non-Major Programs (continued):</u>			
Department of Health and Human Services Administration for Children and Families Era - Gang Prevention	93-009		5,106
Department of Health and Human Services Administration for Children and Families Community Food And Nutrition Program	93-571		2,885
Department of Health and Human Services Administration for Children and Families Community Awareness Program (CAP-HIV/AIDS)	93-004		18,395
Department of Health and Human Services Administration for Children and Families Senior Medicare Patrol Project	93-048		7,316
Department of Commerce Public Telecommunications Facilities Program	11-550		43,553
Department of Health and Human Services Public Health Service Teens Wait Program	93-995		24,556
Department of Health and Human Services Administration for Children and Families Compassion Capital Fund Targeted Building Program - Marriage	93-009		28,509
Department of Health and Human Services Administration on Aging Health Awareness program for Immigrants Vietnamese Americans	93-048		55,317
Corporation for National and Community Service AmeriCorps*National Direct Programs	94-006		178,434
Department of Health and Human Services Centers for Disease Control Health Awareness and Prevention Program	1U50DP001698		14,352
Department of Health and Human Services Administration on Aging Technical Assistance Centers Program	93-048		133,610
Department of Health and Human Services Administration for Children and Families Compassion Capital Fund Targeted Building Program - Youth	93-009		10,160
Department of Justice Office for Victims of Crime Public Awareness in Underserved Communities	16-582		14,743
Department of Health and Human Services Administration for Children and Families Compassion Capital Fund Targeted Capacity Building Program	90IJ100002		<u>49,791</u>
Total non-major programs			<u>973,836</u>
Total Federal Awards			\$ <u><u>3,382,437</u></u>



DAVIS, SITA & COMPANY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Directors  
Boat People SOS, Inc.  
Falls Church, VA

We have audited the financial statements of the Boat People SOS, Inc. as of and for the year ended December 31, 2008, and have issued our report thereon dated November 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Boat People SOS, Inc. internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Boat People SOS, Inc internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Boat People SOS, Inc. internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the Boat People SOS, Inc. internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Boat People SOS, Inc. internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Boat People SOS, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

DAVIS, SITA & COMPANY, P.A.

November 17, 2009

Certified Public Accountants



DAVIS, SITA & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Boat People SOS, Inc.  
Falls Church, VA

Compliance

We have audited the compliance of the Boat People SOS, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The Boat People SOS, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Boat People SOS, Inc. management. Our responsibility is to express an opinion on the Boat People SOS, Inc. compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Boat People SOS, Inc. compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Boat People SOS, Inc. compliance with those requirements.

In our opinion, the Boat People SOS, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Boat People SOS, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Boat People SOS, Inc. internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Boat People SOS, Inc. internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Boat People SOS, Inc. internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance of a federal program will not be prevented or detected by the Boat People SOS, Inc. internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses, as defined above.

Boat People SOS, Inc. response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Boat People SOS, Inc. response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

DAVIS, SITA + COMPANY, P.A.  
Certified Public Accountants

November 17, 2009

BOAT PEOPLE SOS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2008

**Section I- Summary of Auditor's Results**

**Financial Statements**

- |   |             |
|---|-------------|
| 1. The auditor's report issued:   | Unqualified |
| 2. Internal control over financial reporting:   |             |
| • Material weakness(es) identified?   | No          |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | No          |
| 3. Noncompliance material to financial statements noted?                                      | No          |

**Federal Awards**

- |   |             |
|---|-------------|
| 4. Internal control over major programs:  |             |
| • Material weakness(es) identified?   | No          |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)?                         | No          |
| 5. Type of auditor's report on compliance for the major programs:   | Unqualified |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No          |
| 7. Identification of major programs:  |             |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.086	Healthy Marriage Demonstration, Priority Area 8
93.086	Road to Independence through Savings And Education
93.576	Neighborhood Empowerment and Support Through Teamwork
93.576	Microenterprise
93.576	Assistance to Refugee Couples
93.243	Victims of Torture Assistance
EMH-2006-GR-0056	Katrina Aid Today

BOAT PEOPLE SOS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2008

- |  |           |
|--|-----------|
| 8. Dollar threshold used to distinguish between Type A and B programs: | \$300,000 |
| 9. Auditee qualified as a low-risk auditee?                            | Yes       |

**Section II- Financial Statement Findings**

No Findings

**Section III-Federal Award Findings and Questioned Costs**

No Findings



Local Travel Reimbursement (per mile)

**Subtotal**

**d. Equipment Costs - List equipment with # of units and unit costs. Distinguish between equipment intended for applicant use versus equipment for the end user.**

***Applicant Equipment***

N/A

***User Equipment***

N/A

**Subtotal**

**e. Supplies - List costs associated with materials/printing, curriculum, translations, and other supplies**

Screen for Classroom

Computers for Instructors and Students

Computer Accessories for Students: 20-22" widescreen LCD monitors, small speakers, and webcam

Computer Accessories for Students: headset with microphone
Printer/Scanner per classroom
Professional Camcorder and Tripod
Microphone and Speakers (PA system)
Networking Technology
Networking Technology: NETGEAR JGS524 switch, 24 ports; NETGEAR GS105 switch, 5 ports; TRENDnet TEW-637AP wireless access point.
Software Bundle
Additional Software
Small Hardware: stand for the projector, stand for the printer, power extensions, etc.
Alternative larger-than-standard keyboards
BigTrack Trackball
Furniture
Office Supplies
<b>Subtotal</b>

**f. Contractual - List contractors with purpose of contract, hourly rate or total fixed rate.**

Sub-Contract for Additional PCC

**Subtotal**

**g. Construction - If applicable, list construction costs**

N/A

**Subtotal**

**h. Other - List costs associated with grant subrecipients as well as other costs not listed above such as rent, technology (website hosting, internet connection), advertising (TV, radio, online), etc.**

Broadband Telecommunications

Broadband Telecommunications

Printing/Copying

Rent and Utilities

Postage

**Subtotal**

**i. Total Direct Charges (sum of a-h)**

**j. Indirect Charges**

**Total Eligible Project Costs**

**Match Percentage**

**Explanation of Indirect Charges**

**Additional Budget Notes**

Reimbursement: Grant Writing and IT Prep

Broadband Telecommunications: Set-up and Monthly

Printing/Copying

Rent and Utilities

Postage

**BTOP Public Computer Center and Sustainable Broadbar  
Detailed Budget Template**



Boat People SOS, Inc.

Neighborhood Empowerment and Support through Teamwork Community Techn

<b>General</b>			
<b>Position</b>	<b>Federal Support</b>	<b>Matching Support</b>	<b>Total</b>
Project Director	\$41,000	\$0	\$41,000
	\$82,000	\$24,600	\$106,600
Project Manager			
	\$75,850	\$0	\$75,850
CTC Trainer			
Volunteer Trainers/Teachers	\$0	\$83,200	\$83,200
			\$0
	<b>\$198,850</b>	<b>\$107,800</b>	<b>\$306,650</b>

<b>Position</b>	<b>Federal Support</b>	<b>Matching Support</b>	<b>Total</b>
Project Director	\$10,414	\$0	\$10,414
	\$20,828	\$0	\$20,828
Project Manager			
CTC Trainer	\$19,266	\$0	\$19,266
			\$0
	<b>\$50,508</b>	<b>\$0</b>	<b>\$50,508</b>

<b>Purpose of Trip</b>	<b>Federal Support</b>	<b>Matching Support</b>	<b>Total</b>

Local travel for outreach, training, technical assistance for project staff and volunteers	\$1,515	\$0	\$1,515
	<b>\$1,515</b>	<b>\$0</b>	<b>\$1,515</b>

<b>Equipment Description</b>	<b>Federal Support</b>	<b>Matching Support</b>	<b>Total</b>
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>Description</b>	<b>Federal Support</b>	<b>Matching Support</b>	<b>Total</b>
NEC LCD4615, large LCD display, 46", 1920 x 1080 resolution for project traqinign and education activities	\$1,600	\$0	\$1,600
Desktop computers	\$9,500	\$0	\$9,500
For each computer	\$2,500	\$0	\$2,500

One for each computer	\$500	\$0	\$500
A high volume printer/scanner for project activities	\$225	\$0	\$225
One for each classroom	\$2,500	\$0	\$2,500
Two for each classroom	\$1,000	\$0	\$1,000
Basic cables for network set-up	\$100	\$0	\$100
One for each classroom	\$350	\$0	\$350
Microsoft Office 2007 Pro; Nero 9 Suite; Adobe Creative Suite 4 Web Premium; AVG Anti-Virus, WordQ; SpeakQ; ZoomText Magnifer v9.1; etc. for each workstation	\$18,000	\$0	\$18,000
Re-imaging program for each workstation	\$550	\$0	\$550
Per computer (\$250+\$35)	\$600	\$0	\$600
Assistive technology for each workstation	\$480	\$0	\$480
Assistive technology for each work station	\$280	\$0	\$280
Desks and Chairs for computer center	\$3,800	\$0	\$3,800
Basic office supplies for project activities	\$1,620	\$540	\$2,160
	<b>\$43,605</b>	<b>\$540</b>	<b>\$44,145</b>

<b>Contractor</b>	<b>Federal Support</b>	<b>Matching Support</b>	<b>Total</b>
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IT Contractor	\$16,000	\$0	\$16,000
Bayou Clinic	\$10,014	\$0	\$10,014
Alba Middle School	\$90,000	\$0	\$90,000
	<b>\$116,014</b>	<b>\$0</b>	<b>\$116,014</b>

Description	Federal Support	Matching Support	Total
	\$0.00	\$0.00	\$0.00
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Description	Federal Support	Matching Support	Total
Set-up	\$300	\$0	\$300
Monthly broadband subscription fees	\$3,600	\$1,200	\$4,800
Printing and copying of project related materials for staff, volunteers and clients	\$857	\$461	\$1,318
Rent and utilities for space used by the project and project staff	\$7,920	\$5,280	\$13,200
Postage costs related to project outreach, reporting, etc.	\$390	\$210	\$600
	<b>\$13,067</b>	<b>\$7,151</b>	<b>\$20,218</b>

	<b>\$423,559</b>	<b>\$115,491</b>	<b>\$539,050</b>
	<b>\$37,980</b>		<b>\$37,980</b>

	<b>\$461,539</b>	<b>\$115,491</b>	<b>\$577,030</b>
	<b>20.0%</b>		

BPSOS has a negotiated indirect cost rate with FEMA, our cognizant agency. Our NICRA is 19.10% of salaries.

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		\$	<i>5,800</i>	\$	-
		\$	<i>2,700</i>		
\$75	12	\$	<i>900</i>	\$	-
\$755	12	\$	<i>9,061</i>		
\$50	12	\$	<i>600</i>	\$	-

**rd Adoption**

ology Center – Bayou la Batre (NEST CTC-BLB)

<b>Detail</b>			
<b># of Positions</b>	<b>Salary</b>	<b>% Time Spent on Project</b>	<b>Quarters Employed</b>
1	\$80,000	25%	8.00
1	\$52,000	100%	8.00
1	\$37,000	100%	8.00
2	\$41,600	100%	8.00

<b># of Positions</b>	<b>Salary</b>	<b>% Time Spent on Project</b>	<b>Quarters Employed</b>
1	\$80,000	25%	8.00
1	\$52,000	100%	8.00
1	\$37,000	100%	8.00

<b># of Trips</b>	<b>Cost per Trip</b>	<b>Total</b>

3,000	\$0.505	\$1,515

#Units	Unit Cost	Total
		\$0
		\$0
		\$0
		\$0
		\$0
		\$0
		\$0
		\$0
		\$0

#Units (If Applicable)	Unit Cost (If Applicable)	Total
1	\$1,600	\$1,600
10	\$950	\$9,500
10	\$250	\$2,500

10	\$50	\$500
1	\$225	\$225
1	\$2,500	\$2,500
2	\$500	\$1,000
10	\$10	\$100
1	\$350	\$350
10	\$1,800	\$18,000
10	\$55	\$550
10	\$35	\$600
4	\$120	\$480
4	\$70	\$280
10	\$380	\$3,800
24	\$70	\$1,680

# Hours (If Applicable)	Hourly Rate (If Applicable)	Total Contract
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		\$16,000
		\$10,014
		\$90,000

#Units (If Applicable)	Unit Cost (If Applicable)	Total
1	\$300	\$300
24	\$200	\$4,800
24	\$55	\$1,318
12	\$550	\$13,200
12	\$25	\$300

|

<b>Total</b>

\$41,000
\$106,600
\$75,850
\$83,200
\$0.00

<b>Fringe Rate</b>	<b>Total</b>
25.40%	\$10,414
25.40%	\$20,828
25.40%	\$19,266
	\$0.00