

**THE SAINTS PRISON MINISTRY, INC.**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

**THE SAINTS PRISON MINISTRY, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023 AND 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the  
The Saints Prison Ministry, Inc.

### Opinion

We have audited the financial statements of The Saints Prison Ministry, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2023, 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 (GAAS). 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 the Organization 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 audit 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 the Organization'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 the Organization'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.

## **Prior Year Financial Statements**

The financial statements of the Organization as of September 30, 2022, were audited by other auditors whose report dated April 3, 2023, expressed an unmodified opinion on those financial statements.

*Novak Francella LLC*

Bala Cynwyd, Pennsylvania  
March 5, 2024

THE SAINTS PRISON MINISTRY, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 40,955	\$ 203,870
Investments		
Money market mutual fund	80,005	-
Common stock	171	-
Prepaid expenses	1,254	-
Total current assets	<u>122,385</u>	<u>203,870</u>
PROPERTY AND EQUIPMENT		
Vehicles, office and sports equipment	48,712	54,149
Less: accumulated depreciation	<u>(48,712)</u>	<u>(47,095)</u>
Net property and equipment	<u>-</u>	<u>7,054</u>
Total assets	<u>\$ 122,385</u>	<u>\$ 210,924</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 33,162</u>	<u>\$ 36,347</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>89,223</u>	<u>174,577</u>
Total liabilities and net assets	<u>\$ 122,385</u>	<u>\$ 210,924</u>

THE SAINTS PRISON MINISTRY, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER SUPPORT		
Contributions from individuals	\$ 222,719	\$ 233,021
Crusades	178,328	174,039
Church giving	35,891	41,256
Special events	28,668	44,584
Third party donations	4,474	6,140
Other	880	35
Auto donation program	-	38
Investment income	181	18
Bequest	3,781	125,567
Total revenue and other support	<u>474,922</u>	<u>624,698</u>
EXPENSES		
Program services	446,651	465,108
Management and general	94,938	87,047
Fundraising	18,687	24,150
Total expenses	<u>560,276</u>	<u>576,305</u>
CHANGE IN NET ASSETS	(85,354)	48,393
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	<u>174,577</u>	<u>126,184</u>
End of year	<u>\$ 89,223</u>	<u>\$ 174,577</u>

**THE SAINTS PRISON MINISTRY, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023			
	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 168,428	\$ 35,791	\$ 6,316	\$ 210,535
Crusades	94,206	-	-	94,206
Payroll taxes and benefits	25,286	5,373	948	31,607
Postage	24,648	-	-	24,648
Travel and lodging	16,917	-	890	17,807
Marketing	4,199	-	1,400	5,599
Insurance	11,309	-	-	11,309
Fuel, mileage and tolls	1,770	5,311	-	7,081
Team equipment	19,146	-	-	19,146
Utilities	-	10,577	-	10,577
Computers/website	3,673	7,349	3,674	14,696
Depreciation	7,054	-	-	7,054
Special events	4,987	-	4,987	9,974
Printing	6,042	1,510	-	7,552
Literature evangelism	1,214	-	-	1,214
Training	1,416	-	472	1,888
Fees	-	9,183	-	9,183
Professional fees	-	11,025	-	11,025
Office supplies	-	4,221	-	4,221
Greeting cards	629	-	-	629
Telephone	609	1,829	-	2,438
Literature discipleship	6,980	-	-	6,980
Memberships	-	1,770	-	1,770
Director outreach	1,312	-	-	1,312
Payroll processing fees	-	999	-	999
Building maintenance	41,898	-	-	41,898
Vehicle maintenance and repair	3,785	-	-	3,785
Sportswear	1,143	-	-	1,143
	<u>\$ 446,651</u>	<u>\$ 94,938</u>	<u>\$ 18,687</u>	<u>\$ 560,276</u>
Total expenses	<u>\$ 446,651</u>	<u>\$ 94,938</u>	<u>\$ 18,687</u>	<u>\$ 560,276</u>

2022

Program Services	Management and General	Fund Raising	Total
\$ 177,197	\$ 37,654	\$ 6,645	\$ 221,496
113,922	-	-	113,922
26,296	5,588	986	32,870
23,823	-	-	23,823
23,982	-	1,262	25,244
14,911	-	4,970	19,881
13,767	-	-	13,767
1,919	5,758	-	7,677
13,703	-	-	13,703
-	10,336	-	10,336
2,908	5,818	2,909	11,635
8,465	-	-	8,465
6,907	-	6,908	13,815
5,559	1,390	-	6,949
7,435	-	-	7,435
1,410	-	470	1,880
-	7,721	-	7,721
-	5,000	-	5,000
-	3,036	-	3,036
2,782	-	-	2,782
654	1,964	-	2,618
1,444	-	-	1,444
-	1,646	-	1,646
142	-	-	142
-	1,136	-	1,136
16,247	-	-	16,247
1,058	-	-	1,058
577	-	-	577
<u>\$ 465,108</u>	<u>\$ 87,047</u>	<u>\$ 24,150</u>	<u>\$ 576,305</u>



# THE SAINTS PRISON MINISTRY, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (85,354)	\$ 48,393
Reconciliation of change in net assets to cash flows provided by (used for) operating activities:		
Depreciation	7,054	8,465
Changes in assets and liabilities:		
Prepaid expenses	(1,254)	4,228
Accounts payable and accrued expenses	(3,185)	30,237
Net cash provided by operating activities	<u>(82,739)</u>	<u>91,323</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Purchase of investments	(80,176)	-
Sales of investments	-	19,386
Net cash used for investing activities	<u>(80,176)</u>	<u>19,386</u>
NET (DECREASE) INCREASE IN CASH	(162,915)	110,709
CASH		
Beginning of year	<u>203,870</u>	<u>93,161</u>
End of year	<u>\$ 40,955</u>	<u>\$ 203,870</u>

# THE SAINTS PRISON MINISTRY, INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

### NOTE 1. ORGANIZATION AND TAX STATUS

The Saints Prison Ministry, Inc. (the Organization) is a New Jersey non-profit organization established in 1987 for the purpose of presenting the Gospel of Jesus Christ to prisoners through athletics and providing them with opportunities for spiritual growth. In support of this mission, the Organization sends various sports team into prisons throughout the U.S. and Canada, competing athletically and sharing a faith-based message right on the playing field.

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management is required to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, tax years will remain open for three years; however, this may differ depending upon the circumstances of the Organization.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Method of Accounting** - The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Financial Presentation** - Net assets and revenues, expenses, gains, and losses are classified as net assets without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net Assets without Donor Restrictions** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of Trustees.

**Net Assets with Donor Restrictions** - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At September 30, 2023 and 2022, the Organization did not have any net assets with donor restrictions.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash** - Cash consists of cash held in checking accounts and a savings account.

**Investments** - Investment income is presented net of investment advisory/management fees and is in the statements of activities. All investment income is credited directly to unrestricted net assets unless otherwise restricted by the donor. All capital appreciation/depreciation earned on investments is reported as a change in unrestricted net assets unless otherwise restricted by the donor. All investments are carried at fair value with the related gains and losses included in the statements of activities and changes in net assets. The fair value of investments are determined by quoted market prices or net asset value of the fund.

**Property and Equipment** - Property and equipment are carried at cost. Major additions are capitalized, while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed over the following estimated useful lives of the related assets by the straight-line method:

Furniture, fixtures and equipment	3-10 years
Vehicles	3-7 years

Depreciation expense totaled \$7,054 and \$8,465 for the years ended September 30, 2023 and 2022, respectively.

**Revenue Recognition** - Revenue is recognized when earned.

**Contributions** - Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received are reported as unrestricted support.

**Contributed Services** - Contributed services are recognized as contributions if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by people with those skill, and would otherwise be purchased by an Organization. The Organization receives a significant amount of contributed time from volunteers that is not recognized as contributions in the financial statements because the criteria were not met. For the year ended September 30, 2023 and 2022, the Organization benefited from approximately 14,700 and 19,600 hours of donated work, respectively. The Organization gratefully acknowledges the time and effort of these compassionate individuals, without whom it would not be possible from the Organization to meet its mission.

**Estimates** - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Availability and Liquidity** - The following represents the Organization's financial assets at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash	\$ 40,955	\$ 203,870
Investments	<u>80,176</u>	<u>-</u>
Total financial assets	<u>121,131</u>	<u>203,870</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 121,131</u>	<u>\$ 203,870</u>

**NOTE 3. CONCENTRATION OF CASH**

The Organization maintains its cash at various financial institutions deemed to be credit worthy. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2023, cash on deposit with TD Bank and WSFS Bank did not exceed the FDIC insured limit of \$250,000 in a single bank.

**NOTE 4. FAIR VALUE MEASUREMENTS**

Fair Value Measurements and Disclosures establish a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets for identical assets that are accessible at the measurement date.

Level 2 - Quoted prices in markets that are not considered active or investments for which all significant inputs are observable.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

**NOTE 4. FAIR VALUE MEASUREMENTS (continued)**

	Fair Value Measurements at September 30, 2023			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market mutual fund	\$ 80,005	\$ 80,005	\$ -	\$ -
Common stock	<u>171</u>	<u>171</u>	<u>-</u>	<u>-</u>
	<u>\$ 80,176</u>	<u>\$ 80,176</u>	<u>\$ -</u>	<u>\$ -</u>

For the year ended September 30, 2022 the Organization had no investments.

For the year ended September 30, 2023, there were no transfers in or out of levels 1, 2, or 3.

**NOTE 5. OBLIGATIONS UNDER OPERATING LEASES**

In January 2022, the Organization renewed its lease agreement for office space in Hainesport, New Jersey where no rent will be charged.

**NOTE 6. FUNCTIONAL EXPENSES**

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services, management, and general and fundraising expenses. Such allocations are determined by management on an equitable basis.

**NOTE 7. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 5, 2024, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.