

Orthodox Christian Prison Ministry

Financial Statements

December 31, 2023

Orthodox Christian Prison Ministry
Report Index
December 31, 2023

Independent Auditor's Report

Statement of Financial Position – Modified Cash Basis

Statement of Activities – Modified Cash Basis

Statement of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis

Notes to Financial Statements



Independent Auditor's Report

To the Board of Trustees of
Orthodox Christian Prison Ministry

Opinion

We have audited the accompanying financial statements of Orthodox Christian Prison Ministry (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified-cash basis as of December 31, 2023, and the related statements of revenues, expenses, and change in net assets-modified-cash basis and functional expenses-modified-cash basis 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 assets, liabilities, and net assets of Orthodox Christian Prison Ministry as of December 31, 2023, and its revenue and expenses for the year then ended in accordance with modified cash basis of accounting as describe in Note 1.

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 Orthodox Christian Prison Ministry 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified - cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified-cash basis of account described in Note 1, and for determining that the modified-cash basis of accounting is acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Orthodox Christian Prison Ministry's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Orthodox Christian Prison Ministry's internal control. Accordingly, no such opinion is expressed.

To the Board of Trustees of
Orthodox Christian Prison Ministry
Page Three

- 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 Orthodox Christian Prison Ministry'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.

Adducci Vega Financial Group, PLLC

Palos Heights, Illinois
July 11, 2024

Orthodox Christian Prison Ministry
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis
December 31, 2023

Assets

Cash	\$ 553,577
Cash - restricted	88,352
	<hr/>
Total assets	<u>\$ 641,929</u>

Liabilities and Net Assets

Liabilities:	
Current liabilities:	
Credit card payable	\$ 1,598
Payroll tax liabilities	1,790
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Total current liabilities	3,388
Net assets:	
Without donor restrictions	550,189
With donor restrictions	88,352
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Total net assets	638,541
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Total liabilities and net assets	<u>\$ 641,929</u>

The accompanying notes to financial statements are
an integral part of this statement.

Orthodox Christian Prison Ministry
Statement of Revenues, Expenses, and Changes in Net Assets – Modified Cash Basis
December 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
Revenues:			
Grants and contributions	\$ 738,997	\$ 70,000	\$ 808,997
Bookstore income	5,982	-	5,982
Interest income	8,054	-	8,054
Total revenue	<u>753,033</u>	<u>70,000</u>	<u>823,033</u>
Net assets released from restriction	97,648	(97,648)	-
	<u>850,681</u>	<u>(27,648)</u>	<u>823,033</u>
Functional expenses:			
Program services	540,420	-	540,420
Management and general	200,129	-	200,129
Fundraising	118,856	-	118,856
Total expenses	<u>859,405</u>	<u>-</u>	<u>859,405</u>
Change in net assets	(8,724)	(27,648)	(36,372)
Net assets, beginning of the year	<u>558,913</u>	<u>116,000</u>	<u>674,913</u>
Net assets, end of the year	<u><u>\$ 550,189</u></u>	<u><u>\$ 88,352</u></u>	<u><u>\$ 638,541</u></u>

The accompanying notes to financial statements are
an integral part of this statement.

Orthodox Christian Prison Ministry
Statement of Revenues, Expenses, and Changes in Net Assets – Modified Cash Basis
December 31, 2023

	Prison Ministry Program	Management and General	Fundraising	Total
Salaries and wages	\$ 343,892	\$ 103,560	\$ 80,657	\$ 528,109
Payroll taxes and employee benefits	45,444	12,602	16,694	74,740
Total payroll and related cost	<u>389,336</u>	<u>116,162</u>	<u>97,351</u>	<u>602,849</u>
Insurance	-	9,581	-	9,581
Marketing	33,866	7,497	10,541	51,904
Ministry supplies and storage	37,368	-	-	37,368
Office expense	22,840	29,864	4,149	56,853
Printing and postage	6,640	1,999	1,558	10,197
Professional fees	-	13,208	-	13,208
Programs, speakers and trainers	37,166	-	-	37,166
Travel and meetings	<u>13,204</u>	<u>21,818</u>	<u>5,257</u>	<u>40,279</u>
Total expenses	<u>\$ 540,420</u>	<u>\$ 200,129</u>	<u>\$ 118,856</u>	<u>\$ 859,405</u>

The accompanying notes to financial statements are
an integral part of this statement.

Orthodox Christian Prison Ministry
Notes to Financial Statements
December 31, 2023

Note 1. Nature of operations and summary of significant accounting policies

Organization and nature of activities

The Orthodox Christian Prison Ministry (the “Organization”) is a not-for-profit organization serving those who are incarcerated and their families. The Organization does so by applying the teachings of the Orthodox faith to correspond with thousands of prisoners and advocating on behalf of prisoners for correctional facilities around the country to recognize the Orthodox faith. The Organization also provides resources and training to local parishes and clergy, enabling them to offer local solutions and fulfill Christ’s command to visit Him in prison.

The Organization’s support and revenues come primarily from contributions received from gifts and contributions, and the Organization is governed by a Board of Trustees.

Basis of accounting and revenue recognition

The financial statements are prepared in accordance with the modified cash basis of accounting. Under this method, income is recognized when received rather than when earned or pledged and expenditures are recognized when paid rather than when the obligation is occurred. The modified cash basis differs from cash basis as a result of the Organization recognizing credit card payables and payroll tax liabilities. Accordingly, the financial statements are not intended to be presented in conformity with accounting principles generally accepted in the United States of America.

Grants and contributions are recognized as revenue when received. Grant and contributions without donor imposed restrictions and grants and contributions with donor-imposed time or purpose restrictions met in the same period as the gift are reported as revenue without donor restriction. Other restricted gifts are reported as restricted support in net assets with donor restriction.

Use of estimates

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

Orthodox Christian Prison Ministry
Notes to Financial Statements
December 31, 2023

Note 1. Nature of operations and summary of significant accounting policies (continued)

Cash and cash equivalents

The Organization considers all cash, money market accounts and highly liquid investments with an initial maturity of three months or less, at the date of purchase, to be cash and cash equivalents. In addition, the Organization maintains cash balances at various banking institutions, and these balances are insured by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts and management believes that the Organization is not exposed to any significant credit risk relating to cash and cash equivalents.

Net assets

Net assets, revenues, gains, and losses are classified based upon the existence or absence of donor or grantor imposed restrictions. As of December 31, 2023, net assets 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 grantor restrictions.

Net assets with donor restrictions – Net assets subject to donor 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 stipulates that resources be maintained in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions in which the restrictions are met in the same reporting period are reported as support without donor restrictions.

Income tax status

Orthodox Christian Prison Ministry is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to income tax under present income tax laws. In addition, there were no interest or penalties associated with income taxes recognized in the accompanying financial statements.

Orthodox Christian Prison Ministry
Notes to Financial Statements
December 31, 2023

Note 1. Nature of operations and summary of significant accounting policies (continued)

Functional allocation of expenses

The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated among the programs and the supporting services benefited on the basis of estimates of time and effort.

Advertising and marketing costs

The Orthodox Christian Prison Ministry expenses advertising and marketing costs as they are incurred. The Organization incurred \$1,603 in advertising and marketing expenses during the year ended December 31, 2023.

Note 2. Subsequent events

Management has evaluated subsequent events through July 11, 2024, the date that these financial statements were available to be issued.

Note 3. Liquidity and availability of financial assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	<u>\$ 553,577</u>
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In addition to the financial assets available to meet general expenditures described above, the Organization anticipates seeking additional contributions from individuals and private foundations.

Note 4. Net Assets

Net assets with donor restrictions are restricted for the following purposes for the year end December 31, 2023:

Prisoner Care Development Fund	<u>\$ 88,352</u>
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Orthodox Christian Prison Ministry
Notes to Financial Statements
December 31, 2023

Note 5. Concentrations and related party transactions

For the year ended December 31, 2023, \$28,700, or approximately 3.5% of the Organization's support and revenue, was received from seven Board members.

Note 6. Contributed services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.