

**PRISONER VISITATION AND SUPPORT**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**



**PRISONER VISITATION AND SUPPORT  
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YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Prisoner Visitation and Support  
Philadelphia, PA

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Prisoner Visitation and Support (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Prisoner Visitation and Support as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Prisoner Visitation and Support, and to meet our 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 Prisoner Visitation and Support's ability to continue as a going concern within one year after the date of 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 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 Prisoner Visitation and Support’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 Prisoner Visitation and Support’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.

*J. Miller & Associates, LLC*

**J. MILLER & ASSOCIATES, LLC**

Philadelphia, Pennsylvania  
December 2, 2022

**PRISONER VISITATION AND SUPPORT  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

**ASSETS**

Cash and cash equivalents	\$ 47,459
Investments	5,248
Investment fund - board designated	<u>77,528</u>
Total Assets	<u><u>\$ 130,235</u></u>

**LIABILITIES**

Accrued expenses	\$ 14,600
Total Liabilities	<u>14,600</u>

**NET ASSETS**

Without Donor Restrictions	
Undesignated	38,107
Board designated	<u>77,528</u>
Total Net Assets Without Donor Restrictions	<u>115,635</u>
Total Liabilities and Net Assets	<u><u>\$ 130,235</u></u>

*See accompanying notes to the financial statements.*

**PRISONER VISITATION AND SUPPORT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

<b>Revenue and Support</b>	
Grants and contributions	\$ 192,204
Forgiveness of debt - PPP loan	15,520
Fundraising event	1,830
Interest and dividends	2,370
Net realized and unrealized gains	27,682
Total Revenue and Support	<u>239,606</u>
<b>Expenses</b>	
Program	62,144
Management and general	94,675
Fundraising	47,263
Total Expenses	<u>204,082</u>
<b>Change in Net Assets</b>	35,524
Net Assets Without Donor Restrictions, Beginning of the Year	<u>80,111</u>
<b>Net Assets Without Donor Restrictions, End of the Year</b>	<u><u>\$ 115,635</u></u>

*See accompanying notes to the financial statements.*

**PRISONER VISITATION AND SUPPORT  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021**

Description	Program	Management and General	Fundraising	Total
Salary	\$ 40,492	\$ 30,512	\$ 24,556	\$ 95,560
Payroll taxes	3,932	2,963	2,384	9,279
Employee benefits	12,755	8,530	6,365	27,650
Administrative costs	-	655	654	1,309
Bank fees	-	1,813	-	1,813
Consultants fees	926	2,779	-	3,705
Equipment	-	1,114	-	1,114
Information technology	1,323	2,647	1,323	5,293
Insurance	-	6,359	-	6,359
Miscellaneous expenses	394	788	393	1,575
Occupancy	-	12,240	-	12,240
Office supplies	194	192	192	578
PayPal fees	-	208	-	208
Payroll fees	-	1,170	-	1,170
Postage	475	1,425	2,849	4,749
Printing	1,386	4,140	8,280	13,806
Professional fees	-	16,300	-	16,300
Subscriptions	267	840	267	1,374
Total Expenses	<u>\$ 62,144</u>	<u>\$ 94,675</u>	<u>\$ 47,263</u>	<u>\$ 204,082</u>

See accompanying notes to the financial statements.

**PRISONER VISITATION AND SUPPORT  
STATEMENT OF CASH FLOW  
YEAR ENDED DECEMBER 31, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 35,524
Adjustments to reconcile change in net assets without donor restrictions to net cash used in operating activities:	
Net realized and unrealized gains	(27,682)
Forgiveness of debt - PPP loan	(15,520)
Change in assets and liabilities	
Increase in accrued expenses	7,500
Net cash used in Operating Activities	<u>(178)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Distributions from investments	15,610
Purchases of investments	(2,342)
Net cash provided by Investing Activities	<u>13,268</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from loan payable	15,520
Net cash provided by Financing Activities	<u>15,520</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	28,610
Cash and cash equivalents - Beginning of Year	<u>18,849</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 47,459</u>

*See accompanying notes to the financial statements.*



**PRISONER VISITATION AND SUPPORT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1            NATURE OF OPERATIONS**

Prisoner Visitation and Support (“PVS”) is a nationwide nonprofit organization of volunteers who visit federal and military prisons throughout the United States. Founded in 1968, PVS has more than 400 volunteers who visit in over 100 prisons across the country. PVS is guided by a volunteer Board of Directors and is authorized by both the Federal Bureau of Prisons and the Department of Defense to visit prisoners in their facilities.

The primary focus of PVS is to provide prisoners with regular face-to-face contact from the world outside of prison to encourage personal growth and help them cope with prison life and to prepare them for a successful re-entry into society. PVS gives priority to prisoners who do not ordinarily receive visits from family and friends, want or need visits, are in solitary confinement, on death row, or are serving long sentences.

PVS is a non-sectarian, independent organization that has no political, religious, or social agenda. PVS’ role is to simply listen to prisoners, care about them, and discuss things that interest them, without judgment. In order to be the best visitors and support for those incarcerated, PVS provides extensive initial and refresher training for volunteers throughout the year as well as an in-person conference.

PVS relies on hands-on support from visitors and other volunteers to assist its small staff in planning trainings, communicating with, and counseling visitors, fundraising, and coordinating with staff at the Federal Bureau of Prisons and Department of Defense.

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Financial Statement Presentation**

PVS is required to report information regarding its financial position and activities according to two categories of net assets: net assets with donor restrictions and net assets without donor restrictions. A description of the net asset categories follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These net assets may be used at the discretion of PVS’ management and the Board and/or designated by the Board to be set aside in a fund.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. PVS did not have any net assets with donor restrictions at December 31, 2021.

**PRISONER VISITATION AND SUPPORT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recent Accounting Pronouncement Not Yet Adopted**

***Leases***

In February 2016, the FASB issued ASU 2016-02 “Leases (Topic 842).” The primary objective of the standard is to increase transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset. The standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. PVS is currently evaluating the standard and its impact on the financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

PVS considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Investments**

PVS reports investments at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as unrealized gains and losses in the statement of activities. Interest and dividends are recorded when earned.

**Grants and Contributions**

Grants and contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

**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 activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs are attributed to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Directly identifiable expenses are charged to program and supporting services based on invoices received. Expenses related to more than one function, such as payroll, payroll taxes, and benefits are allocated to program, management and general, and fundraising on the basis of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function and provide for the overall support and direction of PVS.

**PRISONER VISITATION AND SUPPORT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services**

No amounts have been included in the financial statements for donated services. PVS generally pays for services requiring expertise. However, many individuals volunteer their time which does not qualify for recognition in the accompanying financial statements.

**Income Taxes**

PVS is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986. Accordingly, there is no provision for income taxes. PVS' informational returns are subject to review and examination by Federal tax authorities. PVS is not aware of any activities that would jeopardize its tax-exempt status. PVS is not aware of any activities that are subject to tax on unrelated business income taxes.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date are as follows:

Cash and cash equivalents	\$ 47,459
Investments	5,248
Total	\$ 52,707

PVS regularly monitors liquidity required to meet its operating needs and commitments. PVS maintains its financial assets in cash and cash equivalents with the goal of having funds available to fund near term operating needs as they become due.

**NOTE 4 INVESTMENT FUND – BOARD DESIGNATED, NET ASSETS WITHOUT RESTRICTIONS - BOARD DESIGNATED**

In 2003, PVS established a quasi-endowment fund with the Friends Fiduciary Corporation (“FFC”) (See Note 5). Under the terms of the agreement, the fund is held and invested by FFC, and any distributions are reinvested. Should PVS cease to exist or disband, the American Friends Service Committee is the residual beneficiary of the remaining funds. As of December 31, 2021, the endowment fund has a value of \$77,528, which is reported in the statement of financial position as Investment fund – Board designated. This balance is also reported as net asset without donor restrictions – board designated in the statement of financial position.

The change in the investment fund – board designated is as follows:

Beginning balance	\$ 67,824
Interest and dividend income	2,342
Net realized and unrealized gain (loss)	7,362
Ending balance	\$ 77,528

**PRISONER VISITATION AND SUPPORT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 5 FAIR VALUE MEASUREMENTS**

PVS reports certain assets at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to dispose of a liability in an orderly transaction between market participants at the measurement date. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that PVS can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

Following is a description of the valuation methodologies used for assets measured at fair value.

The investment fund held with the FCC is based on the fair value of fund investments as reported by FCC. As of December 31, 2021, the assets in this investment fund are considered to be Level 3.

The assets measured at fair value on a recurring basis are as follows

	Total	Quoted Prices in Active Markets for Identical Assets Level-1	Significant Other Observable Inputs Level-2	Significant Unobservable Inputs Level-3
Bank deposits	\$ 38	\$ 38	\$ -	\$ -
Equities	5,210	5,210	-	-
	<u>\$ 5,248</u>	<u>\$ 5,248</u>	<u>\$ -</u>	<u>\$ -</u>
Investment fund - Board designated	<u>\$ 77,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,528</u>

**PRISONER VISITATION AND SUPPORT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 FORGIVENESS OF DEBT – PPP LOAN**

In April 2021, PVS obtained \$15,250 under the Paycheck Protection Program (“PPP”) from the U.S. Small Business Administration (“SBA”). PVS initially recorded a loan payable. In September 2021, PVS received notification that the loan was forgiven and has recognized the \$15,250 as forgiveness of debt – PPP loan in the accompanying statement of activities.

**NOTE 7 RETIREMENT PLAN**

PVS has a Tax-Sheltered Account Program for employees after the first year of service. Under this plan, PVS contributes up to ten percent of the eligible employees’ salaries to the plan. For the year ended December 31, 2021, PVS contributed \$2,000 to the plan and is included in employee benefits in the accompanying statement of functional expenses.

**NOTE 8 COMMITMENT – LEASE**

On January 1, 2021, PVS entered into an 18-month lease expiring on June 30, 2022, with monthly payments of \$862. In May 2022, the lease term was extended through June 30, 2023 with monthly payments of \$888 beginning July 1, 2022. Rent expense for the year ended December 31, 2021, was \$12,240 and is included in occupancy in the statement of functional expenses.

The future minimum obligations on the lease are as follows:

For Years Ending December 31,	
2022	\$ 10,500
2023	5,238
	<u>\$ 15,738</u>

**NOTE 9 CONCENTRATION OF RISK**

Financial instruments which subject PVS to concentrations of credit risk consist primarily of cash. PVS maintains deposits at financial institutions which at times may exceed federally insured limits. At December 31, 2021, no balance was in excess of the insured limits.

**NOTE 10 SUBSEQUENT EVENTS**

PVS has evaluated subsequent events through December 2, 2022, which is the date the financial statements were available to be issued. Except as disclosed in Note 8, there are no subsequent events that require recognition or disclosure.