

**THE PAX CHRISTI FUND FOR PEACE**

**FINANCIAL STATEMENTS**  
**AND**  
**REPORT OF INDEPENDENT AUDITORS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
The Pax Christi Fund for Peace

### **Opinion**

We have audited the accompanying financial statements of Pax Christi Fund for Peace (a nonprofit organization), which are comprised of the statements of financial position as of December 31, 2021; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pax Christi Fund for Peace 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 audits 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 Financial Statements section of our report. We are required to be independent of Pax Christi Fund for Peace, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Management's Responsibility 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; this includes 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 for one year after the date that the financial statements are issued.

**INDEPENDENT AUDITOR'S REPORT**  
**Pax Christi Fund for Peace**

**Auditor's Responsibility**

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 judgement 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.

*DeAta Company*

Bowie, Maryland  
June 22, 2021

**THE PAX CHRISTI FUND FOR PEACE**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 34,333
Prepaid expenses	1,907
Accounts receivable	<u>361,180</u>

Total current assets 397,420

**Total assets** \$397,420

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable	\$ <u>515</u>
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Total current liabilities 515

**Net assets**

Without donor restrictions 40,905

With donor restrictions 356,000

Total net assets 396,905

**Total liabilities and net assets** \$397,420

- SEE ACCOUNTANT'S NOTES -

**THE PAX CHRISTI FUND FOR PEACE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Contributions and grants	\$445,174	\$ 356,000	\$801,174
Net assets released from restrictions	<u>65,000</u>	<u>( 65,000)</u>	<u>        -</u>
Total revenue and support	<u>510,174</u>	<u>291,000</u>	<u>801,174</u>
<b>Expenses</b>			
Program services	475,754	-	475,754
Management and general	6,214	-	6,214
Outreach and development	<u>1,280</u>	<u>        -</u>	<u>1,280</u>
Total expenses	<u>483,248</u>	<u>        -</u>	<u>483,248</u>
<b>Change in net assets</b>	26,926	291,000	317,926
<b>Net assets at beginning of year</b>	<u>13,979</u>	<u>65,000</u>	<u>78,979</u>
<b>Net assets at end of year</b>	\$ <u>40,905</u>	\$ <u>356,000</u>	\$ <u>396,905</u>

- SEE ACCOUNTANT'S NOTES -

**THE PAX CHRISTI FUND FOR PEACE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	Total	Program services	Management and general	Fundraising
Pax Christi International & other Pax Christi Organizations	\$ 459,000	\$ 459,000	\$ -	\$ -
Accounting	5,000	2,500	2,500	-
Office Expenses	2,302	1,602	-	700
Occupancy	4,764	4,764	-	-
Insurance	1,428	714	714	-
Bank Fees	894	894	-	-
Postage	1,068	488	-	580
Dues	1,720	1,720	-	-
State Registration Fees	1,582	1,582	-	-
Contract services	3,000	-	3,000	-
Telephone	2,240	2,240	-	-
Web hosting	250	250	-	-
<b>Totals</b>	<b>\$ 483,248</b>	<b>\$ 475,754</b>	<b>\$ 6,214</b>	<b>\$ 1,280</b>

- SEE ACCOUNTANT'S NOTES -

**THE PAX CHRISTI FUND FOR PEACE**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 317,926
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	-
Increase in accounts receivables	(292,055)
Increase in prepaid expenses	( 1,093)
Increase in accounts payables	<u>418</u>
Total adjustments	(292,730)
<b>Net cash provided by operating activities</b>	<u>25,196</u>
<b>Cash flows from investing activities</b>	-
Net increase in cash and cash equivalents	25,196
<b>Cash and cash equivalents, beginning of year</b>	<u>9,137</u>
<b>Cash and cash equivalents, end of year</b>	\$ <u><u>34,333</u></u>

- SEE ACCOUNTANT'S NOTES -



**THE PAX CHRISTI FUND FOR PEACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. - General information and summary of significant accounting policies**

**General information**

The Pax Christi Fund for Peace (PCFFP), is a tax exempt corporation organized under the laws of the District of Columbia in 2014. PCFFP works to promote around the world peace and reconciliation, freedom and respect for human rights, as well as the political and social responsibility of individuals and communities.

**Summary of significant accounting policies**

***Basis of accounting***

PCFFP's financial statements are prepared using the accrual basis of accounting.

***Cash and cash equivalents***

Cash on hand, deposits in banks, and highly liquid investments with original maturities of three months or less are considered cash and cash equivalents for purposes of these financial statements.

***Property and equipment***

Property and equipment are recorded at cost. Depreciation is recognized over the related assets' estimated useful lives, using the straight-line method. Repairs and maintenance are charged to expense as incurred.

***Net assets***

For financial statement purposes, net assets are classified as follows:

Without donor restrictions

Represents the portion of net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

With donor restrictions

Represents the portion of net assets whose use by PCFFP has been restricted by donors with specified time or purpose limitations. As of December 31, 2021 net assets with donor restrictions represented contributions of \$356,000.

***Revenue recognition***

Revenue is recognized during the period in which it is earned. Contributions are recognized in accordance with the provisions of Financial Accounting Standards Board Statement No. 116.

**THE PAX CHRISTI FUND FOR PEACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

***Expenses***

Expenses are recognized by PCFFP during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

***Functional allocation of expenses***

The costs of PCFFP's various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, supporting general and administrative costs have been allocated among the programs and supporting services benefitted.

***Subsequent events***

Subsequent events have been considered through June 22, 2022.

***Pervasiveness of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Income tax status***

The Pax Christi Fund for Peace is exempt from federal income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the District of Columbia. The Pax Christi Fund for Peace had no unrelated business income during the year ended December 31, 2021.

**Note 2. - Liquidity**

PCFFP cash balances include money market funds and cash in bank. The following provides a summary of financial assets available for general expenditures at December 31, 2021:

Cash and cash equivalents	\$ 34,333
Accounts receivable	361,180
Net assets with donor restrictions	<u>(356,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>39,513</u></u>

**Note 3. - Major sources of funding**

PCFFP receives a substantial portion of its revenues from donations from various organizations and individuals.