

THE PAX CHRISTI FUND FOR PEACE

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS
FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Pax Christi Fund for Peace

Report on the Financial Statements

We have audited the accompanying financial statements of The Pax Christi Fund for Peace (PCFFP), (a nonprofit organization), which are comprised of the statements of financial position as of December 31, 2019; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

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.

Auditor's Responsibility

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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2019, 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.

Bowie, Maryland
May 19, 2020

THE PAX CHRISTI FUND FOR PEACE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Current assets

Cash and cash equivalents	\$136,408
Prepaid expenses	250
Accounts receivable	<u>38,399</u>

Total current assets 175,057

Total assets \$175,057

LIABILITIES AND NET ASSETS

Current liabilities

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

Net assets

Without donor restrictions 64,428

With donor restrictions 110,629

Total net assets 175,057

Total liabilities and net assets \$175,057

- SEE ACCOUNTANT'S NOTES -

THE PAX CHRISTI FUND FOR PEACE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and grants	\$315,353	\$ 149,246	\$464,599
Net assets released from restrictions	<u>38,617</u>	(<u>38,617</u>)	<u> -</u>
Total revenue and support	<u>353,970</u>	<u>110,629</u>	<u>464,599</u>
Expenses			
Program services	316,443	-	316,443
Management and general	6,137	-	6,137
Outreach and development	<u>7,048</u>	<u> -</u>	<u>7,048</u>
Total expenses	<u>329,628</u>	<u> -</u>	<u>329,628</u>
Change in net assets	24,342	110,629	134,971
Net assets at beginning of year	<u>40,086</u>	<u> -</u>	<u>40,086</u>
Net assets at end of year	<u>\$ 64,428</u>	<u>\$110,629</u>	<u>\$175,057</u>

- SEE ACCOUNTANT'S NOTES -

THE PAX CHRISTI FUND FOR PEACE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Total	Program services	Management and general	Fundraising
Pax Christi International & other Pax Christi Organizations	\$ 294,847	\$ 294,847	\$ -	\$ -
Accounting	4,950	2,475	2,475	-
Office Expenses	2,439	2,439	-	-
Occupancy	4,677	4,677	-	-
Travel	616	416	-	200
Insurance	1,325	663	662	-
Bank Fees	1,188	1,188	-	-
Postage	910	338	-	572
State Registration Fees	2,421	2,421	-	-
Printing Costs	2,154	1,421	-	733
Event Costs	2,353	455	-	1,898
Contract services	6,645	-	3,000	3,645
Conferences	1,350	1,350	-	-
UN delegation	2,411	2,411	-	-
Telephone	848	848	-	-
Web hosting	494	494	-	-
Totals	\$ 329,628	\$ 316,443	\$ 6,137	\$ 7,048

- SEE ACCOUNTANT'S NOTES -

THE PAX CHRISTI FUND FOR PEACE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities	
Change in net assets	\$ 134,971
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	-
Increase in accounts receivables	(32,344)
Increase in prepaid expenses	(250)
Increase in accounts payables	<u>(6,483)</u>
Total adjustments	<u>(39,077)</u>
Net cash provided by operating activities	<u>95,894</u>
Cash flows from investing activities	-
Net increase in cash and cash equivalents	95,894
Cash and cash equivalents, beginning of year	<u>40,514</u>
Cash and cash equivalents, end of year	<u><u>\$136,408</u></u>

- SEE ACCOUNTANT'S NOTES -

THE PAX CHRISTI FUND FOR PEACE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019 net assets with donor restrictions represented contributions of \$110,629.

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, 2019

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 May 19, 2020.

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, 2019.

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, 2018:

Cash and cash equivalents	\$ 136,408
Net assets with donor restrictions	<u>(110,629)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>25,779</u>

Note 3. - Major sources of funding

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