The Christophers, Inc.

Financial Statements

December 31, 2021

Independent Auditors' Report

Board of Directors
The Christophers, Inc.

Opinion

We have audited the accompanying financial statements of The Christophers, Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expense 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 Christophers, Inc. 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. 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 Christophers, Inc. 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 Christophers, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibility 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 judgment 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 The Christophers, Inc'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 Christophers, Inc'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.

Report on Summarized Comparative Information

We have previously audited The Christophers, Inc.'s December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

Woodcliff Lake, NJ
December 9, 2022

The Christophers, Inc.

Statement of Financial Position
December 31, 2021
(with comparative amounts at December 31, 2020)

	2021	2020
ASSETS		
Cash	$ 74,535	$ 54,755
Contributions receivable, net	370,540	147,341
Investments	5,841,454	5,667,047
Security deposit	3,900	41,900
Restricted beneficial interest in a trust	59,486	54,343
Operating lease - right-of-use asset	524,536	-
Property and equipment, net	2,505	6,263
Deferred lease costs, net	-	108,208
Other assets	23,981	24,885
	$ 6,900,937	$ 6,104,742
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 260,127	$ 299,803
Lease liability for operating lease	701,955	-
Deferred rent	-	92,011
Total Liabilities	962,082	391,814
Net Assets		
Without donor restrictions	5,879,369	5,658,585
With donor restrictions	59,486	54,343
Total Net Assets	5,938,855	5,712,928
	$ 6,900,937	$ 6,104,742

See notes to financial statements

The Christophers, Inc.

Statement of Activities
Year Ended December 31, 2021
(with summarized totals for the year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
SUPPORT				
Contributions and gifts	$ 488,464	$ -	$ 488,464	$ 511,239
Grant from government agency	139,345	-	139,345	139,347
Legacies and bequests	620,385	-	620,385	271,380
Foundations	10,000	-	10,000	-
Total Support	1,258,194	-	1,258,194	921,966
REVENUE				
Books, calendars, news notes and other	39,246	-	39,246	51,060
Dividend and interest income, net	52,684	-	52,684	65,764
Gain on investments	411,240	-	411,240	549,971
Total Revenue	503,170	-	503,170	666,795
Total Support and Revenue	1,761,364	-	1,761,364	1,588,761
EXPENSES				
Program services	1,314,162	-	1,314,162	1,387,491
Management and general	159,930	-	159,930	160,130
Fundraising	66,488	-	66,488	69,881
Total Operating Expenses	1,540,580	-	1,540,580	1,617,502
Change in Net Assets Before Change in Beneficial Interests in Trust	220,784	-	220,784	(28,741)
Change in beneficial interests in trust	-	5,143	5,143	(1,223)
Change in Net Assets	220,784	5,143	225,927	(29,964)
NET ASSETS				
Beginning of year	5,658,585	54,343	5,712,928	5,742,892
End of year	$ 5,879,369	$ 59,486	$ 5,938,855	$ 5,712,928

See notes to financial statements

The Christophers, Inc.

Statement of Functional Expenses
Year Ended December 31, 2021
(with summarized totals for the year ended December 31, 2020)

	Program Services							Supporting Services			Total	
	Inspirational Literature	Media	Awards	Youth and Ministries	Leadership and Seminars	Bequest	Total	Management and General	Fundraising	Total	2021	2020
Salaries	$ 129,376	$ 77,107	$ 120,214	$ 104,697	$ 61,189	$ 28,371	$ 520,954	$ 27,308	$ 6,212	$ 33,520	$ 554,474	$ 572,983
Fringe benefits	15,734	4,992	11,930	2,799	1,118	154	36,727	83	21	104	36,831	77,704
Payroll taxes	10,637	6,309	9,883	8,426	4,940	2,375	42,570	2,252	515	2,767	45,337	46,541
Pension expense	11,780	6,254	10,510	6,185	4,424	2,369	41,522	25,221	323	25,544	67,066	69,643
Total Salaries and Related Expenses	167,527	94,662	152,537	122,107	71,671	33,269	641,773	54,864	7,071	61,935	703,708	766,871
Computer systems and service	10,500	7,790	6,141	6,209	7,810	7,217	45,667	9,622	2,966	12,588	58,255	48,096
Equipment rental and maintenance	1,025	569	1,025	569	968	684	4,840	569	285	854	5,694	5,694
General insurance	2,572	1,429	2,572	3,308	2,429	1,714	14,024	1,429	714	2,143	16,167	14,959
Marketing and public relations	1,587	1,587	10,586	1,587	1,587	1,587	18,521	565	565	1,130	19,651	12,099
Meals entertainment and travel	2,582	2,598	2,596	2,578	2,553	2,553	15,460	1,847	1,812	3,659	19,119	15,210
Media recording and production	87	11,753	87	87	87	87	12,188	87	87	174	12,359	15,137
Bad Debt	-	-	-	-	-	-	-	-	-	-	-	80,000
Miscellaneous expense	1,185	154	154	154	344	154	2,145	2,786	154	2,940	5,087	9,911
Occupancy	33,592	18,662	33,592	18,662	31,725	22,394	158,627	18,662	9,331	27,993	186,621	176,464
Outside mailing services and lists	32,930	1,353	2,721	1,353	1,353	1,353	41,063	480	10,980	11,460	52,521	35,567
Printing and publications	80,092	304	910	304	304	963	82,877	284	8,155	8,439	91,317	99,083
Prizes and donations	-	-	6,258	-	-	-	6,258	-	-	-	6,258	6,250
Professional fees	16,000	36,000	8,000	2,400	13,600	-	76,000	62,080	-	62,080	138,080	94,708
Shipping and postage	51,441	3,374	3,949	3,018	3,018	3,018	67,818	3,185	18,576	21,761	89,579	85,668
Supplies	2,570	359	14,872	352	388	379	18,920	414	270	684	19,603	22,614
Telephone	1,292	1,292	1,292	1,292	1,292	1,292	7,752	1,248	1,248	2,496	10,248	6,744
Program consultants and contributors	55,032	8,910	10,375	9,455	9,224	4,039	97,035	1,432	4,086	5,518	102,553	93,698
Total Expenses Before Depreciation and Amortization	460,014	190,796	257,667	173,435	148,353	80,703	1,310,968	159,554	66,300	225,854	1,536,820	1,588,773
Amortization of deferred lease cost	-	-	-	-	-	-	-	-	-	-	-	24,971
Depreciation	676	376	676	376	639	451	3,194	376	188	564	3,758	3,758
Total Expenses	$ 460,690	$ 191,172	$ 258,343	$ 173,811	$ 148,992	$ 81,154	$ 1,314,162	$ 159,930	$ 66,488	$ 226,418	$ 1,540,580	$ 1,617,502

See notes to financial statements

The Christophers, Inc.

Statement of Cash Flows
Year Ended December 31, 2021
(with comparative amounts for the year ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 225,927	$ (29,964)
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized gain on investment	(411,240)	(549,971)
Net change in beneficial interests in trust	(5,143)	1,223
Depreciation	3,758	3,758
Bad debt expense	-	80,000
Amortization of right-of-use asset	157,361	-
Amortization of deferred lease costs	-	24,971
Amortization of deferred rent	-	6,149
Donated stocks and mutual funds	(192,941)	-
Changes in operating assets and liabilities		
Contributions receivable	(223,199)	(136,953)
Security deposit	38,000	(2,000)
Other assets	904	4,803
Accounts payable and accrued expenses	20,139	75,220
Operating lease payments	(23,560)	-
Net Cash from Operating Activities	(409,994)	(522,764)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(105,346)	(116,404)
Proceeds from sale of investments	535,120	625,741
Net Cash from Investing Activities	429,774	509,337
Net Change in Cash	19,780	(13,427)
CASH		
Beginning of Year	54,755	68,182
End of Year	$ 74,535	$ 54,755
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Right-of-use asset obtained in exchange for lease obligation	$ 725,515	$ -

See notes to financial statements

1. Organization

The Christophers, Inc. (the "Christophers") is a New York not-for-profit membership corporation. The objective of the Christophers is to enlist the services of all persons of goodwill to show personal responsibility by word and action for the promotion of humanistic ideals, which are congruent with the Judeo-Christian tradition. This objective is achieved primarily through the use of mass media.

The Christophers is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, under a group exemption covering all agencies and instrumentalities and all educational, charitable and religious institutions operated in connection with The Roman Catholic Church in the United States, its territories and possessions. The Christophers has been classified as an organization that is not a private foundation. Accordingly, all contributions to the Christophers are fully deductible to the extent permitted under Internal Revenue Service regulations.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Management Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Policy

The Christophers adopted FASB Topic 842, Leases, using the effective date method with January 1, 2022 as the date of initial adoption, with certain practical expedients available.

The Christophers elected the available practical expedients to account for its existing operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, on January 1, 2021 the Christophers recognized a lease liability of $725,515, that represents the present value of the remaining operating lease payments of $756,241, discounted based on a weighted average of the risk free interest rate using the treasury note rate for 3 and 5 years of 1.71%. The Christophers also recognized a ROU asset of $681,897, that represents the operating lease liability of $725,515, adjusted for deferred and accrued rent of $151,825, and unamortized initial direct costs of $108,208.

2. Summary of Significant Accounting Policies *(continued)*

Change in Accounting Policy (continued)

The standard had a material impact on the Christopher's statement of financial position but did not have an impact on its statement of activities and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Contributions and Net Assets Presentation

Contributions received are recorded as without or with donor restricted support, depending on the existence or nature of any donor restrictions. All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset class. If a restriction is fulfilled in the same time period in which the contribution is received, the Christophers reports the contribution as without donor restrictions.

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Christophers and changes therein are classified and reported as follows:

- Without donor restrictions – net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes.

- With donor restrictions – net assets subject to donor-imposed stipulations that would be met by actions of the Christophers and/or by the passage of time or net assets to be maintained permanently by the Christophers. Generally, the donors of these net assets permit the Christophers to use all or part of the income earned on related investments for general or donor-specified purposes.

Revenue Recognition

The Christophers recognizes contributions when they are received and unconditionally contributed and reports this support as with or without donor restriction according to donor stipulations that may limit the use of these assets due to time or purpose restrictions. When a donor restriction expires or is otherwise satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

2. Summary of Significant Accounting Policies *(continued)*

Revenue Recognition (continued)

Sales of books, calendars, news notes, and other items are recognized in accordance with U.S. GAAP using a single comprehensive model in accounting for revenue arising from contracts with customers. Four basic criteria must be met before revenue can be recognized: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred; (iii) the fee is fixed and determinable; and (iv) collectability is reasonably assured. The Christophers recognizes revenues upon shipment of products or performance of services in which title and risk passes to customers. Sales and related cost of sales are recognized at a single point in time when the product is transferred to the customer in an amount that reflects the consideration the Christophers expects to be entitled in exchange for the product. Payment for these sales are received at the time of delivery.

In-kind Contributions and Donated Services

In-kind contributions are recorded as income and expenses at the time the items are received, which is also the time they are placed into service. Donated services are reported as income at their fair value if such services create value or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills. There were no in-kind contributions during the years ended December 31, 2021 and 2020.

Contributions Receivable and Allowance for Uncollectible Receivables

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. At December 31, 2021 and 2020, the allowance for uncollectible receivables was $80,000. All receivables are due within one year.

Fair Value Measurements

The Christophers follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

2. Summary of Significant Accounting Policies *(continued)*

Investments Valuation and Investment Income Recognition

Investments are stated at fair value. Purchases and sales of securities are recognized on a trade-date basis. Interest income is recognized on the accrual basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of assets. The Christophers capitalizes expenditures for property and equipment with a cost in excess of $5,000. Capitalized leased assets are amortized on the straight-line method over the estimated useful life of the asset. Costs for repairs and maintenance are charged to expense as incurred. Leasehold improvements are amortized on the straight-line method over the term of the lease or useful life, whichever is shorter.

Concentrations of Credit Risk

Financial instruments which potentially subject the Christophers to concentrations of credit risk consist of money market accounts, contributions receivable and investment securities. The Christophers places its temporary cash and money market accounts with financial institutions and at times a portion of the funds may not be insured by the Federal Deposit Insurance Corporation.

At December 31, 2021, three gifts totaling $336,690 comprised approximately 91% of total contributions receivable. For the year ended December 31, 2021, two bequests totaling $498,467 comprised approximately 40% of total support. These gifts have no restrictions on their use.

At December 31, 2020, two gifts totaling $136,591 comprised approximately 92% of total contributions receivable. For the year ended December 31, 2020, two bequests from one source totaling $222,222 comprised approximately 24% of total support. These gifts have no restrictions on their use.

Leases

As of January 1, 2021 the Christophers leases office space and determines if an arrangement is a lease at inception. Their operating lease is included in operating lease - right-of-use asset (“ROU asset”), and lease liability for operating lease on the accompanying statements of financial position.

2. Summary of Significant Accounting Policies *(continued)*

Leases (continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease does not provide an implicit borrowing rate. The Christophers uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Christophers will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Christophers' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

For the year ended December 31, 2020, rent expense was amortized ratably over the lease term. Deferred rent represents the difference between the cash payments for the office lease and the amounts expensed in the financial statements which is computed on a straight-line basis over the lease term. Deferred lease costs represent lease modification costs incurred in connection with the extension of the Christophers' office lease, which was being amortized on a straight-line basis over the lease term.

The Christophers applies the short-term lease exemption to certain classes of underlying assets: storage space and mailing equipment. During the year ended December 31, 2021, the short-term lease cost included in the statement of activities was approximately $7,200.

Allocation of Functional Expenses

Expenses are charged directly to each program when incurred. Expenditures, which benefit multiple functions and are not easily identifiable to a particular function, are allocated to those several functions based on the relative attribution of employee efforts and/or in some instances based on the proportion of office space used.

Accounting for Uncertainty in Income Taxes

The Christophers recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Christophers had no uncertain tax positions that would require financial statement recognition. The Christophers is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2018.

2. Summary of Significant Accounting Policies *(continued)*

Prior year Summarized Financial Information

The financial statements include prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Christophers' financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 9, 2022.

3. Liquidity and Availability

The Christophers monitors the availability of resources to meet its operating needs and contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures related to its ongoing mission related activities, as well as services undertaken to support these activities, to be general expenditures.

Financial assets available for general expenditures within one year of December 31, are as follows:

	2021	2020
Cash	$ 74,535	$ 54,755
Contributions receivable, net	370,540	147,341
Investments	5,841,454	5,667,047
	$ 6,286,529	$ 5,869,143

The Christophers manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due.

4. Investments and Fair Value Measurements

The following are the major categories of financial instruments measured at fair value based on inputs at December 31:

	2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market investments	$ 149,983	$ -	$ -	$ 149,983
Investments in common stock	2,889,079	-	-	2,889,079
Mutual funds	1,193,850	-	-	1,193,850
Government and agency bonds	-	1,036,261	-	1,036,261
Corporate bonds	-	564,577	-	564,577
Beneficial interests in trust	-	-	59,486	59,486
Total at Fair Value	$ 4,232,912	$ 1,600,838	$ 59,486	5,893,236
Interest and dividend receivable				7,704
Total Investments and Value of Beneficial Interest in Trust				$5,900,940

	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market investments	$ 562,606	$ -	$ -	$ 562,606
Investments in common stock	2,575,259	-	-	2,575,259
Mutual funds	980,193	-	-	980,193
Government and agency bonds	-	943,412	-	943,412
Corporate bonds	-	596,372	-	596,372
Beneficial interests in trust	-	-	54,343	54,343
Total at Fair Value	$ 4,118,058	$ 1,539,784	$ 54,343	5,712,185
Interest and dividend receivable				9,205
Total Investments and Value of Beneficial Interest in Trust				$5,721,390

4. Investments and Fair Value Measurements *(continued)*

The following table summarizes the investment return for the years ended December 31:

	2021	2020
Dividend and interest income	$ 102,804	$ 116,404
Realized and unrealized gain on investments	411,240	549,971
	514,044	666,375
Investment fees	(50,120)	(50,640)
	$ 463,924	$ 615,735

5. Beneficial Interests in Trust

The Christophers is a beneficiary of a beneficial interest in a charitable trust which is a donor-restricted fund whose purpose is to provide long term support to the Christophers. The Christophers received annual distributions which are included in income with donor restrictions. In classifying such funds for financial statement purposes as net assets with or without donor restrictions, the Board looks to explicit directions of the donor where applicable and the applicable provisions the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"). The trust is held and managed by independent corporate trustees. The undistributed with donor restricted trust amounts are $59,486 and $54,343 at December 31, 2021 and 2020.

The trust assets are invested in marketable equity and debt securities. The following is a reconciliation of the beginning and ending balances of beneficial interests, for the years ending December 31:

	2021	2020
Total beginning balance	$ 54,343	55,566
Changes in beneficial interest included in change in net assets	5,143	(1,223)
Total ending balance	$ 59,486	$ 54,343

6. Property and Equipment

Property and equipment consist of the following at December 31:

	2021	2020	Useful Life
Leasehold improvements	$ 37,580	$ 37,580	10 years
Equipment	115,258	115,258	3 - 7 years
	152,838	152,838	
Accumulated depreciation	(150,333)	(146,575)	
	$ 2,505	$ 6,263	

7. Paycheck Protection Program Loan Forgiveness

In May 2020 the Christophers received loan proceeds in the amount of $139,347 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”). The PPP provides for loans to qualifying entities for amounts up to 2.5 times their 2019 average monthly payroll expense of the qualifying entity. In March 2021 the Christophers received loan proceeds in the amount of $139,345 under Second Draw provisions of the PPP as authorized by the Economic Aid to Hard-Hit Businesses, Nonprofits, and Venues Act (the “Economic Aid Act”). The Second Draw provisions of the Economic Aid Act provide for loans to qualifying entities for amounts up to 2.5 times their 2019 or 2020 average monthly payroll expenses. The PPP loans bears an interest rate of 1% per annum.

All or a portion of the PPP loans principal and accrued in interest is forgivable, provided the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act as amended by the Economic Aid Act, over a period between eight to twenty-four weeks (the “Covered Period”). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the First Draw PPP loan, if any, is payable within two years from the date of the PPP loan with a deferral of payments of principal or interest until the amount of loan forgiveness is approved by the U.S. Small Business Administration (“SBA”). The unforgiven portion of the Second Draw PPP Loan, if any, is payable within five years from the date of the PPP loan with a deferral of payments of principal and interest until the amount of loan forgiveness is approved by the SBA. If the organization does not apply for forgiveness, payments begin approximately 16 months after the loan date.

7. Paycheck Protection Program Loan Forgiveness *(continued)*

The Christophers has elected to report the PPP loan proceeds as a conditional grant under requirements contained in ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made." Accordingly, the Christophers recognized income as the conditions in the PPP loan are met. For the years ended December 31, 2021 and 2020, the Christophers recognized PPP loan proceeds of $139,345 and $139,347 as grant from government agency income in the statement of activities. First Draw PPP loan had been forgiven in 2021 and in June 2022, the SBA notified the Christophers that the Second Draw PPP loan has been forgiven in full.

8. Operating Lease

The Christophers is obligated under an operating lease which includes escalations for its executive and administrative offices. As of December 31, 2021 the lease has a remaining term of approximately three years as it is scheduled to expire in April 2025 with no stated renewal options. Lease expense amounted to $183,945 and $168,344 for the years ended December 31, 2021 and 2020 and is included in occupancy on the statement of functional expenses. At December 31, 2021, the Christophers has a current lease liability of $267,472 and a long term lease liability of $434,483. The interest rate used in calculating the lease liability was 1.71%.

Future minimum lease payments under the lease as of December 31 are as follows:

2022	$ 276,651
2023	186,736
2024	191,434
2025	65,420
Total future minimum lease payments	720,241
Less imputed interest	(18,286)
Total lease liability	$ 701,955

9. Pension Plans

The Christophers participates in the Archdiocesan Pension Plan (the "Plan"), which is a multiemployer Church Plan under section 401(a) of the Internal Revenue Code. All eligible employees who meet the age and years of service requirements are noncontributory participants in the Plan. The Plan uses the aggregate cost method with an assumed rate of return of 7.25% and a salary scale assumption of 5% per annum. The contributions of all participating employers are pooled and held by the trustee for the purpose of providing retirement and other benefits for employees of all participating employers. As a result, liabilities and contribution requirements are not calculated on an employer-by-employer basis, but rather in the aggregate. The contribution is then allocated by employer based on a percentage of covered compensation.

9. Pension Plans *(continued)*

As of January 1, 2021, the present value of accrued benefits was $1,666,634,609 as compared to the market value of assets of $1,241,705,492. The Plan's funded percentage at January 1, 2021 was 72.6%, however the funded status at December 31, 2021 has not been determined as of the date of these financial statements. Pension costs were $67,066 and $69,643 for the years ended December 31, 2021 and 2020.

10. Related Party Transactions

The Christophers incurred legal fees and related disbursements of approximately $80,000 and $69,000 in 2021 and 2020, for services rendered by a firm in which one member is a board member and officer of the Christophers. The Christophers incurred $25,900 and $17,500 in 2021 and 2020, for consulting services from another board member. Another board member is an employee who received salary compensation of $120,327 in both 2021 and 2020.

11. Risks and Uncertainties

The Christophers operations have been affected by the ongoing outbreak of the coronavirus disease (COVID-19). The United States has governmental measures to control the spread of COVID-19, including temporary closures of businesses, restrictions on travel and the movement of people and other limitations on the conduct of business.

The full duration and extent of the COVID-19 pandemic, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date these financial statements were available for issuance, as the pandemic continues to evolve globally. Therefore, the full extent of any adverse impact on the results of operations, financial position and cash flows cannot be reasonably estimated at this time.

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