

The Christophers, Inc.

Financial Statements

December 31, 2024

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, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of The Christophers, Inc. as of December 31, 2024, 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 Auditors' 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.

Auditors' 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 auditors' 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 2023 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

The Christophers, Inc.

Statement of Financial Position
December 31, 2024
(with comparative amounts at December 31, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 98,500	\$ 344,238
Contributions receivable, net	139,532	250
Investments	3,835,492	4,138,709
Security deposit	12,155	41,400
Restricted beneficial interest in a trust	62,355	55,633
Operating lease - right-of-use asset	152,225	19,043
Other assets	<u>17,159</u>	<u>31,609</u>
	<u>\$ 4,317,418</u>	<u>\$ 4,630,882</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 164,523	\$ 193,270
Lease liability for operating lease	<u>163,067</u>	<u>47,453</u>
Total Liabilities	<u>327,590</u>	<u>240,723</u>
Net Assets		
Without donor restrictions	3,927,473	4,334,526
With donor restrictions	<u>62,355</u>	<u>55,633</u>
Total Net Assets	<u>3,989,828</u>	<u>4,390,159</u>
	<u>\$ 4,317,418</u>	<u>\$ 4,630,882</u>

See notes to financial statements

The Christophers, Inc.

Statement of Activities
Year Ended December 31, 2024
(with summarized totals for the year ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
SUPPORT				
Contributions and gifts	\$ 718,996	\$ -	\$ 718,996	\$ 503,109
Legacies and bequests	183,114	-	183,114	457,944
Total Support	902,110	-	902,110	961,053
REVENUE				
Books, calendars, news notes and other	37,800	-	37,800	39,771
Dividend and interest income, net	76,280	-	76,280	77,745
Realized and unrealized gain on investments	241,154	-	241,154	410,236
Total Revenue	355,234	-	355,234	527,752
Total Support and Revenue	1,257,344	-	1,257,344	1,488,805
EXPENSES				
Program services	1,418,959	-	1,418,959	1,344,250
Management and general	177,790	-	177,790	159,931
Fundraising	67,648	-	67,648	65,222
Total Operating Expenses	1,664,397	-	1,664,397	1,569,403
Change in Net Assets Before Change in Beneficial Interests in Trust	(407,053)	-	(407,053)	(80,598)
Change in restricted beneficial interests in trust	-	6,722	6,722	(3,853)
Change in Net Assets	(407,053)	6,722	(400,331)	(84,451)
NET ASSETS				
Beginning of year	4,334,526	55,633	4,390,159	4,474,610
End of year	\$ 3,927,473	\$ 62,355	\$ 3,989,828	\$ 4,390,159

See notes to financial statements

The Christophers, Inc.

Statement of Functional Expenses
Year Ended December 31, 2024
(with summarized totals for the year ended December 31, 2023)

	Program Services							Supporting Services			Total	
	Inspirational Literature	Media	Awards	Youth and Ministries	Leadership and Seminars	Legacy of Hope	Total	Management and General	Fundraising	Total	2024	2023
Salaries	\$ 150,590	\$ 89,181	\$ 140,666	\$ 120,659	\$ 69,862	\$ 41,023	\$ 611,981	\$ 32,328	\$ 8,795	\$ 41,123	\$ 653,104	\$ 539,019
Fringe benefits	29,325	5,495	20,209	4,034	909	160	60,132	21	22	43	60,175	50,519
Payroll taxes	13,128	7,639	12,204	10,097	5,846	3,382	52,296	2,425	718	3,143	55,439	53,674
Pension expense	15,719	9,109	14,134	10,980	7,035	2,684	59,661	24,909	366	25,275	84,936	81,828
Total Salaries and Related Expenses	208,762	111,424	187,213	145,770	83,652	47,249	784,070	59,683	9,901	69,584	853,654	725,040
Computer systems and service	7,326	7,377	5,808	5,926	7,326	6,917	40,680	10,934	2,931	13,865	54,545	59,766
Equipment rental and maintenance	214	119	214	119	202	142	1,010	119	59	178	1,188	2,118
General insurance	1,866	1,037	1,866	2,902	1,763	1,244	10,678	1,037	518	1,555	12,233	16,203
Marketing and public relations	1,933	1,715	1,708	1,708	1,708	1,708	10,480	164	164	328	10,808	17,425
Meals entertainment and travel	3,346	3,169	4,323	6,212	3,981	2,941	23,972	2,910	3,049	5,959	29,931	48,458
Media recording and production	674	12,301	-	-	-	-	12,975	-	-	-	12,975	19,351
Miscellaneous expense	1,392	1,244	1,390	1,244	1,983	1,062	8,315	4,923	693	5,616	13,931	6,742
Occupancy	16,864	9,369	16,864	9,369	15,927	11,243	79,636	9,369	4,685	14,054	93,690	133,207
Outside mailing services and lists	34,550	848	1,455	848	848	848	39,397	336	9,944	10,280	49,677	55,526
Printing and publications	110,184	533	1,624	533	703	533	114,110	1,026	13,515	14,541	128,651	142,397
Prizes and donations	10	10	2,965	6,360	10	-	9,355	-	-	-	9,355	9,603
Professional fees	7,791	17,530	3,940	1,302	6,622	45	37,230	73,506	45	73,551	110,781	94,945
Shipping and postage	66,401	3,901	7,156	3,523	3,764	3,355	88,100	3,623	14,159	17,782	105,882	80,845
Supplies	4,710	2,177	23,648	2,177	3,187	2,418	38,317	2,226	1,441	3,667	41,984	26,440
Telephone	1,343	1,309	1,329	1,474	1,309	1,147	7,911	1,273	1,147	2,420	10,331	10,145
Program consultants and contributors	58,395	9,266	17,700	13,461	9,374	4,527	112,723	6,661	5,397	12,058	124,781	121,192
Total Expenses	\$ 525,761	\$ 183,329	\$ 279,203	\$ 202,928	\$ 142,359	\$ 85,379	\$ 1,418,959	\$ 177,790	\$ 67,648	\$ 245,438	\$ 1,664,397	\$ 1,569,403

The Christophers, Inc.

Statement of Cash Flows
Year Ended December 31, 2024

(with comparative amounts for the year ended December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (400,331)	\$ (84,451)
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized and unrealized gain on investments	(241,154)	(410,236)
Net change in restricted beneficial interest in trust	(6,722)	3,853
Amortization of right-of-use asset - operating lease	87,621	141,740
Changes in operating assets and liabilities		
Contributions receivable	(139,282)	87,091
Security deposit	29,245	(1,500)
Other assets	14,450	(6,665)
Accounts payable and accrued expenses	(28,747)	(163,295)
Lease liability	(105,189)	(180,638)
Net Cash from Operating Activities	(790,109)	(614,101)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(990,158)	(1,273,871)
Proceeds from sale of investments	1,534,529	2,121,146
Net Cash from Investing Activities	544,371	847,275
Net Change in Cash	(245,738)	233,174
CASH		
Beginning of year	344,238	111,064
End of year	\$ 98,500	\$ 344,238
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Right-of-use asset obtained in exchange for lease obligation	\$ 213,144	\$ -

See notes to financial statements

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

1. Organization and Tax Status

The Christophers, Inc. (the “Christophers”) is a New York not-for-profit 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.

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.

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

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

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.

Sales of books, calendars, news notes, and other items are recognized in accordance with U.S. GAAP. 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 to in exchange for the product. Payment for these sales are due at the time of delivery.

Contributions of Nonfinancial Assets

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 and donated services received during the years ended December 31, 2024 and 2023.

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 contributions receivable. At December 31, 2024 and 2023, the allowance for uncollectible receivables was \$80,000. All receivables are due within one year.

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

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.

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.

Concentrations of Credit Risk

Financial instruments that potentially subject the Christophers to concentrations of credit and market risk consist principally of cash, contributions receivable and investments held at financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. At times cash balances may exceed the FDIC limit. As of December 31, 2024 and 2023, the Christophers uninsured cash totaled approximately \$8,400 and \$484,000.

At December 31, 2024, two gifts totaling \$139,282 comprised 89% of total contributions receivable. This gift has no restrictions on its use.

For the year ended December 31, 2023, one bequest for \$323,437 comprised approximately 34% of total support. This gift has no restrictions on its use.

Leases

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 statement of financial position.

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

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 the 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.

Functional Allocation of Expenses

The costs of providing the various programs and support services have been summarized on a functional basis in the statements of activities and functional expenses. Specific expenses that are readily identifiable to a program or supporting service are charged directly to that function. Total salaries and related expenses are allocated based upon estimates of time and effort. Expenditures, which benefit multiple functions and are not easily identifiable to a particular function, are allocated based on the relative attribution of employee efforts.

Operating Measure

The statements of activities separately report changes in net assets from operating and non-operating activities. Operating activities consist principally of revenues and expenses related to ongoing activities. Non-operating activities consist of changes in restricted beneficial interests in trust.

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 2021.

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

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 or by both natural and functional expense category. 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, 2023, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through October 8, 2025, the date that the financial statements were available for issue.

3. Liquidity and Availability of Financial Assets

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

	<u>2024</u>	<u>2023</u>
Cash	\$ 98,500	\$ 344,238
Contributions receivable, net	139,532	250
Investments	<u>3,835,492</u>	<u>4,138,709</u>
	<u>\$ 4,073,524</u>	<u>\$ 4,483,197</u>

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

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 over a 12-month period, the Christophers considers all expenditures related to its ongoing mission related activities, as well as services undertaken to support these activities, to be general expenditures.

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

4. Investments and Fair Value Measurements

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

	2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments in common stock	\$ 1,682,989	\$ -	\$ -	\$ 1,682,989
Mutual funds	734,010	-	-	734,010
Exchange traded funds	12,001	-	-	12,001
Government and agency bonds	-	765,548	-	765,548
Corporate bonds	-	368,143	-	368,143
Restricted beneficial interests in trust	-	-	62,355	62,355
Total at Fair Value	<u>\$ 2,429,000</u>	<u>\$ 1,133,691</u>	<u>\$ 62,355</u>	<u>3,625,046</u>
Cash and cash equivalents, at cost				260,513
Interest and dividend receivable				<u>12,288</u>
Total Investments and Value of Restricted beneficial Interest in Trust				<u>\$ 3,897,847</u>
	2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments in common stock	\$ 1,763,599	\$ -	\$ -	\$ 1,763,599
Mutual funds	695,776	-	-	695,776
Exchange traded funds	10,701	-	-	10,701
Government and agency bonds	-	796,156	-	796,156
Corporate bonds	-	287,216	-	287,216
Restricted beneficial interests in trust	-	-	55,633	55,633
Total at Fair Value	<u>\$ 2,470,076</u>	<u>\$ 1,083,372</u>	<u>\$ 55,633</u>	<u>3,609,081</u>
Cash and cash equivalents, at cost				577,142
Interest and dividend receivable				<u>8,119</u>
Total Investments and Value of Restricted beneficial Interest in Trust				<u>\$ 4,194,342</u>

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

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

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

	<u>2024</u>	<u>2023</u>
Dividend and interest income	\$ 118,649	\$ 120,304
Realized and unrealized gain on investments	<u>241,154</u>	<u>410,236</u>
	359,803	530,540
Investment fees	<u>(42,369)</u>	<u>(42,559)</u>
	<u>\$ 317,434</u>	<u>\$ 487,981</u>

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 receives 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 is \$62,355 and \$55,633 at December 31, 2024 and 2023.

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 ended December 31:

	<u>2024</u>	<u>2023</u>
Total beginning balance	\$ 55,633	\$ 59,486
Changes in beneficial interest included in change in net assets	<u>6,722</u>	<u>(3,853)</u>
Total ending balance	<u>\$ 62,355</u>	<u>\$ 55,633</u>

The Christophers has a remainderman interest in a different trust in the amount of \$29,408. The ultimate amount realizable by the Organization is not determinable at this point in time.

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

6. Lease Commitments

During 2024, the Christophers entered into a new office lease agreement in New York, New York and recognized an ROU asset of \$213,451. The lease expires in April 2027 and includes annual rent escalations and additional charges for water and real estate taxes. Lease expense amounted to \$89,733 and \$124,545 for the years ended December 31, 2024 and 2023 and is included in occupancy on the statements of functional expenses. The interest rate used in calculating the lease liability was 4.01% and 5.1% for the years ended December 31, 2024 and 2023. The weighted average remaining lease term in years for operating lease is 2.33 and 0.25 for the years ended December 31, 2024 and 2023. Cash paid for amounts included in the measurement of operating lease liabilities was \$54,698 and \$186,732 for the years ended December 31, 2024 and 2023.

As of December 31, 2024, maturities for operating lease liabilities were as follows:

2025	\$ 68,372
2026	76,466
2027	<u>26,020</u>
Total future minimum lease payments	170,858
Less present value discount	<u>(7,791)</u>
Total lease liability	<u>\$ 163,067</u>

7. Pension Plans

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 the employer based on a percentage of covered compensation.

As of January 1, 2024, the present value of accrued benefits was \$1,651,757,776 as compared to the market value of assets of \$1,185,856,056. The Plan's funded percentage on January 1, 2024, was 66.1%, however the funded status on December 31, 2024 has not been determined as of the date of these financial statements. Pension costs were \$84,936 and \$81,828 for the years ended December 31, 2024 and 2023.

The Christophers, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

8. Related Party Transactions

The Christophers incurred legal fees and related disbursements of approximately \$39,955 and \$40,055 in 2024 and 2023, for services rendered by a firm in which one member is a board member and officer of the Christophers. The Christophers incurred \$27,500 and \$30,000 in 2024 and 2023, for consulting services from another board member. Another board member is also an employee who received total compensation of \$175,368 and \$150,098 in 2024 and 2023, consisting of salary and paid time off (PTO) payouts.

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