



PEACE PLAYERS

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
PeacePlayers International
Washington, DC

We have audited the accompanying financial statements of PeacePlayers International, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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

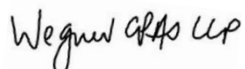
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 PeacePlayers International as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Wegner CPAs, LLP
Alexandria, Virginia
January 20, 2022

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 1,795,370	\$ 2,027,040
Unconditional promises to give, net	545,226	2,256,284
Accounts receivable	33,855	22,836
Grants receivable	112,346	-
Prepaid expenses	123,640	143,181
Security deposits	21,664	25,152
Fixed assets, net	31,612	33,393
Total assets	\$ 2,663,713	\$ 4,507,886
LIABILITIES		
Accounts payable	\$ 134,561	\$ 26,375
Accrued payroll	196,742	228,391
Refundable advances	25,039	17,675
Paycheck Protection Program loan payable	-	392,015
Total liabilities	356,342	664,456
NET ASSETS		
Without donor restrictions	783,301	1,001,187
With donor restrictions	1,524,070	2,842,243
Total net assets	2,307,371	3,843,430
Total liabilities and net assets	\$ 2,663,713	\$ 4,507,886

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions			
General donations	\$ 613,616	\$ 2,107,120	\$ 2,720,736
In-kind contributions	28,479	-	28,479
Government grants	676,740	-	676,740
Paycheck Protection Program loan forgiveness	393,808	-	393,808
Program service revenue	45,941	-	45,941
Other income	5,730	-	5,730
Total revenues	1,764,314	2,107,120	3,871,434
EXPENSES			
Program services			
Cyprus	353,793	-	353,793
Middle East	1,020,928	-	1,020,928
Northern Ireland	424,964	-	424,964
South Africa	178,211	-	178,211
United States	2,261,410	-	2,261,410
Total program services	4,239,306	-	4,239,306
Supporting activities			
Management and general	845,119	-	845,119
Fundraising	341,265	-	341,265
Total expenses	5,425,690	-	5,425,690
OTHER CHANGES			
Foreign currency translation gain	18,197	-	18,197
Net assets released from restrictions			
Expiration of time restrictions	1,758,334	(1,758,334)	-
Satisfaction of purpose restrictions	1,666,959	(1,666,959)	-
Total other changes	3,443,490	(3,425,293)	18,197
Change in net assets	(217,886)	(1,318,173)	(1,536,059)
Net assets at beginning of year	1,001,187	2,842,243	3,843,430
Net assets at end of year	\$ 783,301	\$ 1,524,070	\$ 2,307,371

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions			
General donations	\$ 2,980,604	\$ 470,243	\$ 3,450,847
In-kind contributions	44,081	-	44,081
Government grants	367,611	-	367,611
Program service revenue	135,323	-	135,323
Other income	3,680	-	3,680
	<u>3,531,299</u>	<u>470,243</u>	<u>4,001,542</u>
Total revenues	3,531,299	470,243	4,001,542
EXPENSES			
Program services			
Cyprus	314,067	-	314,067
Middle East	873,440	-	873,440
Northern Ireland	516,957	-	516,957
South Africa	163,244	-	163,244
United States	2,271,869	-	2,271,869
	<u>4,139,577</u>	<u>-</u>	<u>4,139,577</u>
Total program services	4,139,577	-	4,139,577
Supporting activities			
Management and general	700,471	-	700,471
Fundraising	293,638	-	293,638
	<u>994,109</u>	<u>-</u>	<u>994,109</u>
Total expenses	5,133,686	-	5,133,686
OTHER CHANGES			
Foreign currency translation loss	(27,092)	-	(27,092)
Net assets released from restrictions			
Expiration of time restrictions	300,000	(300,000)	-
Satisfaction of purpose restrictions	2,058,781	(2,058,781)	-
	<u>2,331,689</u>	<u>(2,358,781)</u>	<u>(27,092)</u>
Total other changes	2,331,689	(2,358,781)	(27,092)
Change in net assets	729,302	(1,888,538)	(1,159,236)
Net assets at beginning of year	271,885	4,730,781	5,002,666
Net assets at end of year	<u>\$ 1,001,187</u>	<u>\$ 2,842,243</u>	<u>\$ 3,843,430</u>

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2021 and 2020

	Program Services					Supporting Activities		Total
	Cyprus	Middle East	Northern Ireland	South Africa	United States	Management and General	Fundraising	
2021								
Personnel	\$ 251,647	\$ 755,910	\$ 329,136	\$ 121,537	\$ 1,782,062	\$ 331,106	\$ 264,497	\$ 3,835,895
Professional fees	42,589	5,622	30,473	8,847	278,082	323,430	43,339	732,382
Training, retreats, and assessments	3,319	7,137	5,852	5,088	15,377	4,840	2,990	44,603
Occupancy	21,944	125,852	17,301	14,894	24,274	51,045	1,904	257,214
Travel and lodging	7,450	59,277	8,686	3,919	16,816	20,970	4,825	121,943
Uniforms and equipment	9,228	18,498	8,670	3,783	103,039	12,378	3,984	159,580
Insurance	-	14,881	9,610	2,831	346	50,878	-	78,546
Depreciation	3,778	7,252	3,008	4,737	-	572	-	19,347
Office expenses	13,248	24,625	7,135	2,814	38,476	45,902	18,908	151,108
Information technology	590	1,874	5,093	9,761	2,938	3,998	818	25,072
Total expenses	\$ 353,793	\$ 1,020,928	\$ 424,964	\$ 178,211	\$ 2,261,410	\$ 845,119	\$ 341,265	\$ 5,425,690

	Program Services					Supporting Activities		Total
	Cyprus	Middle East	Northern Ireland	South Africa	United States	Management and General	Fundraising	
2020								
Personnel	\$ 190,487	\$ 568,862	\$ 318,006	\$ 90,390	\$ 1,687,509	\$ 285,855	\$ 207,276	\$ 3,348,385
Professional fees	26,216	33,681	16,301	6,155	278,289	253,245	59,128	673,015
Training, retreats, and assessments	10,154	11,729	14,271	9,051	49,911	4,584	10,517	110,217
Occupancy	41,277	87,138	82,269	23,036	62,999	82,286	4,604	383,609
Travel and lodging	19,966	93,740	45,095	7,109	119,047	10,583	5,848	301,388
Uniforms and equipment	12,646	23,615	18,295	6,927	35,438	545	237	97,703
Insurance	6,395	13,413	11,118	3,121	-	50,422	-	84,469
Depreciation	2,730	6,960	647	4,950	-	239	-	15,526
Office expenses	3,447	30,717	5,836	4,856	34,525	11,009	5,832	96,222
Information technology	749	3,585	5,119	7,649	4,151	1,703	196	23,152
Total expenses	\$ 314,067	\$ 873,440	\$ 516,957	\$ 163,244	\$ 2,271,869	\$ 700,471	\$ 293,638	\$ 5,133,686

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,536,059)	\$ (1,159,236)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	19,347	15,526
Loss on disposal of property and equipment	469	-
Interest accrued on Paycheck Protection Program loan	1,793	-
Paycheck Protection Program loan forgiven	(393,808)	-
(Increase) decrease in assets		
Unconditional promises to give, net	1,711,058	(98,447)
Accounts receivable	(11,019)	-
Grants receivable	(112,346)	-
Prepaid expenses	19,541	1,398,617
Security deposits	3,488	-
Increase (decrease) in liabilities		
Accounts payable	108,186	(34,812)
Accrued payroll	(31,649)	37,649
Refundable advances	7,364	17,675
Net cash flows from operating activities	(213,635)	176,972
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(18,035)	(14,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection loan	-	392,015
Change in cash	(231,670)	554,250
Cash at beginning of year	2,027,040	1,472,790
Cash at end of year	<u>\$ 1,795,370</u>	<u>\$ 2,027,040</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 365	\$ 2,106

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

PeacePlayers International (PPI-DC) is a non-profit organization based in Washington, DC. PPI-DC uses sports and the values of sportsmanship to bridge divides and to develop leaders in conflict and post-conflict communities. PPI-DC has affiliates in the Middle East (Israel and West Bank), Northern Ireland, South Africa, and Cyprus. The affiliates bring together thousands of children from different religious, racial and cultural backgrounds to form positive relationships, develop leadership and life skills, live healthy lives and improve their futures.

PeacePlayers International - Middle East (PPI-ME) is a locally led charity active in Israel and the West Bank that unites and educates Jewish and Arab young people and their communities through basketball.

PeacePlayers International - Northern Ireland (PPI-NI) is an independently registered cross community peacebuilding charity in Northern Ireland that uses sport—in particular, basketball—to unite and educate young people from Protestant and Catholic communities.

PeacePlayers International - South Africa (PPI-SA) is an independently registered charity founded with the goal of promoting peaceful coexistence among white, black, Indian and colored children, while providing a positive extracurricular outlet and leadership opportunities for those from disadvantaged communities.

PeacePlayers - Cyprus (PPI-CY) is a locally led, independently registered charity in Cyprus that uses the game of basketball to allow 10-to-16-year-old Greek-Cypriot and Turkish-Cypriot boys and girls to play together, learn together and build positive relationships that overcome generations of mistrust and formidable physical barriers to interaction.

Principles of Consolidation

The financial statements include the accounts of PeacePlayers International and its affiliates, collectively referred to as PPI. Each affiliate is consolidated since PeacePlayers International has both an economic interest in each affiliate and control of each affiliate through a majority voting interest in its governing board. All material intra-entity transactions have been eliminated.

Foreign Currency Translation

Results of operations for PPI's affiliates are translated from their respective local currencies to the U.S. dollar using average exchange rates during the period, while assets and liabilities are translated at the exchange rate in effect at the reporting date. Resulting gains or losses from translating foreign currencies are recorded net in the consolidated statements of activities.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the contributions become unconditional. Contributions to be received in more than one year are discounted using an appropriate risk-adjusted rate.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable primarily represent amounts due from customers for various services and events provided by PPI. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of June 30, 2021 and 2020, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Government Grants

PPI's programs are funded in part by grants from various government agencies. Revenue from these grants is based upon the actual cost of the services provided up to the maximum amount specified in the grants. Costs are allocated to these grants in accordance with established procedures and are subject to audit by various government agencies. No determination has been made regarding the effect, if any, such audits could have on the financial statements. PPI considers all grants receivable to be fully collectible; accordingly, no allowance for doubtful amounts has been established.

Fixed Assets

Acquisitions of fixed assets with a value greater than \$1,000 and a useful life greater than one year are capitalized. Fixed assets are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or with donor restrictions, depending on the nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

PPI's revenue consists of technical assistance and other similar services and event fees. Revenue from technical assistance and other similar services are recognized when PPI provides the particular service. Revenue from event fees is recognized when the event occurs. Payments for services received in advance are deferred and recognized when the service is provided.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, occupancy, insurance, depreciation, office expenses, and information technology, which are allocated on the basis of estimates of time and effort. All other expenses are allocated based upon the types of services performed and expenses incurred.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Income Tax Status

PPI-DC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

PPI-ME is exempt from income tax as a nonprofit organization under tax law of the Israel Tax Authority.

PPI-NI is classified as a Charity of Tax Purposes and is exempt from income tax under the tax laws of the Northern Ireland HM Revenue & Customs.

PPI-CY is classified as a not-for-profit organization and is exempt from income tax under the tax laws of the Cyprus Ministry of Finance Tax Department.

PPI-SA is classified as an NPO (non-profit organization) and a PBO (public benefit organization) and is exempt from income tax under Section 18A of the South African Revenue Service.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Date of Management's Review

Management has evaluated subsequent events through January 20, 2022, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

PPI-DC maintains its cash balances at financial institutions in Washington, DC. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2021 and 2020, PPI's uninsured cash balances totaled approximately \$638,000 and \$1,130,000, respectively.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give consist of the following:

	2021	2020
Receivable in less than one year	\$ 435,492	\$ 2,157,884
Receivable in one to five years	111,724	100,000
Unconditional promises to give	547,216	2,257,884
Discount to net present value	(1,990)	(1,600)
Unconditional promises to give, net	\$ 545,226	\$ 2,256,284

Promises to give due in more than one year are discounted at an effective rate of 1.67%.

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following:

	2021	2020
Furniture and equipment	\$ 93,862	\$ 87,279
Vehicles	20,102	26,760
Total fixed assets	113,964	114,039
Accumulated depreciation	(82,352)	(80,646)
Fixed assets, net	\$ 31,612	\$ 33,393

NOTE 5 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

In April 2020, PPI-DC received a \$392,015 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by PPI-DC during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years. In December 2020, the SBA approved forgiveness of the loan and accrued interest. PPI-DC must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review PPI-DC's good-faith certification concerning the necessity of its loan request, whether PPI-DC calculated the loan amount correctly, whether PPI-DC used loan proceeds for the allowable uses specified in the CARES Act, and whether PPI-DC is entitled to loan forgiveness in the amount claimed on its application. If SBA determines PPI-DC was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and periods:

	2021	2020
Purpose restricted		
Friendship games	\$ 750,000	\$ 2,078,000
Equipment	-	40,000
All-Stars - Middle East	-	25,000
Middle East general programming	225,584	71,910
Leadership academy	247,538	-
Northern Ireland general programming	14,412	-
USA general programming	34,375	-
Subsequent periods	252,161	627,333
Net assets with donor restrictions	<u>\$ 1,524,070</u>	<u>\$ 2,842,243</u>

NOTE 7 – OPERATING LEASES

PPI leases various office spaces located in Northern Ireland, South Africa, Washington D.C, Cyprus, and the Middle East. These operating leases require monthly payments ranging from \$52 to \$7,272 and expire at various dates through August 2023. Lease expense for the years ended June 30, 2021 and 2020 was \$132,468 and \$138,383, respectively.

Future minimum lease payments for the years ending June 30 are as follows:

2022	\$ 89,768
2023	83,268
2024	12,262
Total	<u>\$ 185,298</u>

NOTE 8 – IN-KIND CONTRIBUTIONS

In-kind contributions consist of the following for the years ended June 30:

	2021		
	PPI-CY	PPI-NI	Total
Consulting services	<u>\$ 401</u>	<u>\$ 28,078</u>	<u>\$ 28,479</u>
	2020		
	PPI-DC	PPI-NI	Total
Donated uniforms and equipment	\$ 40,000	\$ -	\$ 40,000
Consulting services	-	4,081	4,081
Total	<u>\$ 40,000</u>	<u>\$ 4,081</u>	<u>\$ 44,081</u>

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 9 – CONDITIONAL GRANTS

PPI has a government grant that is conditioned upon PPI incurring certain qualifying expenses under the grant program. At June 30, 2021, this conditional grant totaled \$1,086,252. This conditional grant will be recognized as revenue when the respective conditions are met in future years.

NOTE 10 – RETIREMENT PLAN

PPI-DC provides retirement benefits to its employees through a Simple IRA Plan covering full-time employees in the United States Headquarters. PPI-DC matches up to 3% of qualifying employee wages. PPI-ME, PPI-NI, and PPI-CY provide retirement benefits to its employees and provide various matching amounts up to 8%. During the years ended June 30, 2021 and 2020, retirement expense was \$114,948 and \$77,649, respectively.

NOTE 11 – LIQUIDITY AND AVAILABILITY

The following reflects PPI's financial assets as of the date of the consolidated statements of financial position, reduced by amounts not available for general expenditures within one year because of contractual or donor-imposed restrictions:

	2021	2020
Financial assets at year-end		
Cash	\$ 1,795,370	\$ 2,027,040
Unconditional promises to give, net	545,226	2,256,284
Accounts receivable	33,855	22,836
Grants receivable	112,346	-
Total financial assets at year-end	2,486,797	4,306,160
Less amounts unavailable for within one year, due to:		
Donor-restricted with time and purpose restrictions	(1,381,643)	(2,313,310)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,105,154	\$ 1,992,850

PPI is substantially supported by contributions. When a donor's restriction requires resources to be used in a particular manner or in a future period, PPI must maintain sufficient resources to meet those responsibilities to its donors. As part of PPI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 12 – RISKS AND UNCERTAINTIES

The COVID-19 outbreak has caused disruption for nonprofit organizations and other businesses and has resulted in significant volatility in the financial markets. There have been mandated and voluntary closings of businesses including cancellations of events and meetings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions on gatherings and potential economic impacts. At this time, the potential related financial impact on PPI's operations and financial statements cannot be reasonably estimated.