

January 15, 2023

To the Board of Directors
PeacePlayers International
Washington, D.C.

We have audited the financial statements of PeacePlayers International for the year ended June 30, 2022, and we will issue our report thereon dated March 10, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 3, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by PeacePlayers International are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allocation of expenses to program services and supporting activities are based on estimates of time and effort for personnel, occupancy, insurance, depreciation, office expense, and information technology. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 10, 2023. Attached is a copy of management's written representations.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the board of directors and management of PeacePlayers International and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Wegner CPAs, LLP

A handwritten signature in black ink that reads "Glenn Miller". The signature is written in a cursive, slightly slanted style.

Glenn Miller, CPA
Partner

PeacePlayers International

To Wegner CPAs, LLP

This representation letter is provided in connection with your audit of the financial statements of PeacePlayers International, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, 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.

We confirm, to the best of our knowledge and belief, as of March 10, 2023, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 6, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

12. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
17. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
19. We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.
20. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
22. PeacePlayers International is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

23. In regard to the tax services, preparation of the financial statements, and bookkeeping services performed by you, we have—

- Assumed all management responsibilities.
- Overseen the services by designating an individual who possesses suitable skill, knowledge, and/or experience.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.
- Ensured that the Organization's data and records are complete and received sufficient information to oversee the services.

We have carefully read this letter before signing it and understand, while you have provided the language of this letter to us, we are making these representations to you. We understand our obligation to carefully consider the possibility that any of the representations are not accurate. We have inquired of other members of management or employees of PeacePlayers International to the extent necessary to obtain a high degree of assurance that these representations are true. We know that you will be relying on them in the issuance of your report.



Karen Doubilet
Executive Director



Jamie Asante-Asare
Director of Operations



PEACE PLAYERS

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
PeacePlayers International
Washington, D.C.

Opinion

We have audited the financial statements of PeacePlayers International, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PeacePlayers International as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PeacePlayers International and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, PeacePlayers International adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as of July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 PeacePlayers International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PeacePlayers International'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 PeacePlayers International'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.



Wegner CPAs, LLP
Alexandria, Virginia
March 10, 2023

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash	\$ 875,769	\$ 1,795,370
Unconditional promises to give, net	1,379,342	545,226
Accounts receivable	-	33,855
Grants receivable	58,744	112,346
Prepaid expenses	490,524	123,640
Security deposits	20,235	21,664
Fixed assets, net	20,001	31,612
Total assets	\$ 2,844,615	\$ 2,663,713
LIABILITIES		
Accounts payable	\$ 100,162	\$ 134,561
Accrued payroll	156,461	196,742
Refundable advances	30,499	25,039
Line of credit payable	563	-
Total liabilities	287,685	356,342
NET ASSETS		
Without donor restrictions	(10,164)	783,301
With donor restrictions	2,567,094	1,524,070
Total net assets	2,556,930	2,307,371
Total liabilities and net assets	\$ 2,844,615	\$ 2,663,713

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions			
General donations	\$ 2,398,176	\$ 3,338,752	\$ 5,736,928
In-kind contributions	18,456	-	18,456
Government grants	764,119	-	764,119
Program service revenue	78,907	-	78,907
Other income	8,314	-	8,314
	<u>3,267,972</u>	<u>3,338,752</u>	<u>6,606,724</u>
EXPENSES			
Program services			
Cyprus	285,142	-	285,142
Middle East	1,213,457	-	1,213,457
Northern Ireland	514,227	-	514,227
South Africa	227,566	-	227,566
United States	2,714,423	-	2,714,423
	<u>4,954,815</u>	<u>-</u>	<u>4,954,815</u>
Supporting activities			
Management and general	927,367	-	927,367
Fundraising	423,651	-	423,651
	<u>6,305,833</u>	<u>-</u>	<u>6,305,833</u>
OTHER CHANGES			
Foreign currency translation loss	(51,332)	-	(51,332)
Net assets released from restrictions			
Expiration of time restrictions	1,891,777	(1,891,777)	-
Satisfaction of purpose restrictions	403,951	(403,951)	-
	<u>2,244,396</u>	<u>(2,295,728)</u>	<u>(51,332)</u>
Change in net assets	(793,465)	1,043,024	249,559
Net assets at beginning of year	<u>783,301</u>	<u>1,524,070</u>	<u>2,307,371</u>
Net assets (deficit) at end of year	<u>\$ (10,164)</u>	<u>\$ 2,567,094</u>	<u>\$ 2,556,930</u>

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
	<u>1,764,314</u>	<u>2,107,120</u>	<u>3,871,434</u>
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
	<u>4,239,306</u>	<u>-</u>	<u>4,239,306</u>
Total program services	4,239,306	-	4,239,306
Supporting activities			
Management and general	845,119	-	845,119
Fundraising	341,265	-	341,265
	<u>1,186,384</u>	<u>-</u>	<u>1,186,384</u>
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)	-
	<u>3,443,490</u>	<u>(3,425,293)</u>	<u>18,197</u>
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	<u>1,001,187</u>	<u>2,842,243</u>	<u>3,843,430</u>
Net assets at end of year	<u>\$ 783,301</u>	<u>\$ 1,524,070</u>	<u>\$ 2,307,371</u>

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2022 and 2021

	Program Services					Supporting Activities		Total
	Cyprus	Middle East	Northern Ireland	South Africa	United States	Management and General	Fundraising	
2022								
Personnel	\$ 113,357	\$ 743,394	\$ 338,823	\$ 146,019	\$ 2,003,406	\$ 460,871	\$ 336,598	\$ 4,142,468
Professional fees	71,257	48,721	26,733	11,498	297,352	241,678	33,925	731,164
Training, retreats, and assessments	8,200	14,970	8,675	9,102	44,824	17,465	5,032	108,268
Occupancy	39,050	206,471	63,114	23,540	84,481	25,881	1,713	444,250
Travel and lodging	18,917	77,449	44,029	11,692	66,844	22,414	19,316	260,661
Uniforms and equipment	14,373	66,243	10,036	7,951	84,737	-	-	183,340
Insurance	12,344	15,066	7,532	4,534	-	55,647	22	95,145
Depreciation	2,967	7,511	4,436	3,600	-	1,370	-	19,884
Office expenses	4,214	31,937	7,440	6,165	129,419	99,775	27,045	305,995
Information technology	463	1,695	3,409	3,465	3,360	2,266	-	14,658
Total expenses	\$ 285,142	\$ 1,213,457	\$ 514,227	\$ 227,566	\$ 2,714,423	\$ 927,367	\$ 423,651	\$ 6,305,833

	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

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 249,559	\$ (1,536,059)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	19,884	19,347
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	(834,116)	1,711,058
Accounts receivable	33,855	(11,019)
Grants receivable	53,602	(112,346)
Prepaid expenses	(366,884)	19,541
Security deposits	1,429	3,488
Increase (decrease) in liabilities		
Accounts payable	(34,399)	108,186
Accrued payroll	(40,281)	(31,649)
Refundable advances	5,460	7,364
	(911,891)	(213,635)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(8,273)	(18,035)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on line of credit	563	-
Change in cash	(919,601)	(231,670)
Cash at beginning of year	1,795,370	2,027,040
Cash at end of year	\$ 875,769	\$ 1,795,370
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 1,126	\$ 365

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

PeacePlayers International (PPI-DC) is a non-profit organization based in Washington, D.C. 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. PPI-DC is primarily supported by contributions.

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, 2022 and 2021

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, 2022 and 2021, 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 consolidated 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, 2022 and 2021

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.

Adoption of New Accounting Guidance

On September 17, 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intent of this Update is to improve transparency in the reporting of contributed nonfinancial assets (also known as in-kind contributions) received by not-for-profit entities. The Update requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The Update also requires enhanced disclosures about the valuation of contributed nonfinancial assets and their use in programs and other activities, including any donor-imposed restrictions on such use. PPI-DC adopted the requirements of this Update effective July 1, 2021. The changes required by this Update have been applied retrospectively to all periods presented.

Date of Management's Review

Management has evaluated subsequent events through March 10, 2023, the date which the financial statements were available to be issued.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 – CONCENTRATIONS OF CREDIT RISK

PPI-DC maintains its cash balances in financial institutions located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, PPI-DC's cash balances exceed the FDIC Insurance amount. Management believes the risk in these situations to be minimal.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give consist of the following:

	2022	2021
Receivable in less than one year	\$ 892,942	\$ 435,492
Receivable in one to five years	500,000	111,724
Unconditional promises to give	1,392,942	547,216
Discount to net present value	(13,600)	(1,990)
Unconditional promises to give, net	\$ 1,379,342	\$ 545,226

For the years ended June 30, 2022 and 2021, promises to give due in more than one year are discounted at an effective rate of 2.79% and 1.67%, respectively.

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following:

	2022	2021
Furniture and equipment	\$ 102,167	\$ 93,862
Vehicles	13,772	20,102
Total fixed assets	115,939	113,964
Accumulated depreciation	(95,938)	(82,352)
Fixed assets, net	\$ 20,001	\$ 31,612

NOTE 5 – 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 \$46 to \$5,789 and expire at various dates through August 2023. Lease expense for the years ended June 30, 2022 and 2021 was \$130,211 and \$132,468, respectively. Future minimum lease payments for the years ending June 30, 2023 and 2024 total \$80,944 and \$11,577, respectively.

NOTE 6 – LINE OF CREDIT

PPI-DC has a \$400,000 line of credit. Advances on the credit line carry an interest rate that is based on a prime rate. The line of credit matures May 6, 2023 and is secured by assets of PPI-DC.

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NOTE 7 – 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.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Purpose restricted		
Friendship games	\$ 1,398,793	\$ 750,000
Middle East general programming	146,468	225,584
Leadership academy	718,201	247,538
Northern Ireland general programming	17,065	14,412
USA general programming	-	34,375
Chicago general programming	20,000	-
Subsequent periods	266,567	252,161
Net assets with donor restrictions	\$ 2,567,094	\$ 1,524,070

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, 2022, this conditional grant totaled \$553,020. 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, 2022 and 2021, retirement expense was \$121,591 and \$114,948, respectively.

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NOTE 11 – IN-KIND CONTRIBUTIONS

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

	2022		
	PPI-CY	PPI-DC	Total
Consulting services	\$ 4,397	\$ -	\$ 4,397
Supplies	-	14,059	14,059
Total	\$ 4,397	\$ 14,059	\$ 18,456
	2021		
	PPI-CY	PPI-NI	Total
Consulting services	\$ 401	\$ 28,078	\$ 28,479

Donated consulting services and supplies are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services and supplies. Unless otherwise noted, in-kind contributions did not have donor-imposed restrictions.

NOTE 12 – 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:

	2022	2021
Financial assets at year-end		
Cash	\$ 875,769	\$ 1,795,370
Unconditional promises to give, net	1,379,342	545,226
Accounts receivable	-	33,855
Grants receivable	58,744	112,346
Total financial assets at year-end	2,313,855	2,486,797
Less amounts unavailable for general expenditures within one year:		
Donor-restricted with time and purpose restrictions	(2,300,527)	(1,381,643)
Financial assets available to meet cash needs for general expenditures within one year	\$ 13,328	\$ 1,105,154

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.