



# PEACE PLAYERS

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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 (ASU) No. 2016-02, *Leases (Topic 842)*, and all subsequently issued clarifying ASUs as of July 1, 2022. 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 8, 2024

**PEACEPLAYERS INTERNATIONAL**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 802,587	\$ 875,769
Unconditional promises to give, net	1,717,931	1,379,342
Accounts receivable	7,372	-
Grants receivable	49,264	58,744
Prepaid expenses	37,635	490,524
Security deposits	20,881	20,235
Fixed assets, net	<u>27,634</u>	<u>20,001</u>
<b>Total assets</b>	<u>\$ 2,663,304</u>	<u>\$ 2,844,615</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 102,637	\$ 100,162
Accrued payroll	194,767	156,461
Refundable advances	10,484	30,499
Note payable, related-party	200,000	-
Line of credit	<u>247,430</u>	<u>563</u>
Total liabilities	755,318	287,685
<b>NET ASSETS</b>		
Without donor restrictions	(6,331)	(10,164)
With donor restrictions	<u>1,914,317</u>	<u>2,567,094</u>
Total net assets	<u>1,907,986</u>	<u>2,556,930</u>
<b>Total liabilities and net assets</b>	<u>\$ 2,663,304</u>	<u>\$ 2,844,615</u>

See accompanying notes.

**PEACEPLAYERS INTERNATIONAL**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions			
General donations	\$ 2,471,700	\$ 3,573,343	\$ 6,045,043
In-kind contributions	428	-	428
Government grants	818,777	-	818,777
Technical assistance and event fees	79,764	-	79,764
Other income	2,500	-	2,500
	<u>3,373,169</u>	<u>3,573,343</u>	<u>6,946,512</u>
Total revenues	3,373,169	3,573,343	6,946,512
<b>EXPENSES</b>			
Program services			
Cyprus	202,918	-	202,918
Middle East	1,206,998	-	1,206,998
Northern Ireland	493,863	-	493,863
South Africa	253,486	-	253,486
United States	3,910,102	-	3,910,102
	<u>6,067,367</u>	<u>-</u>	<u>6,067,367</u>
Total program services	6,067,367	-	6,067,367
Supporting activities			
Management and general	989,456	-	989,456
Fundraising	465,729	-	465,729
	<u>1,455,185</u>	<u>-</u>	<u>1,455,185</u>
Total expenses	7,522,552	-	7,522,552
<b>OTHER CHANGES</b>			
Foreign currency translation loss	(72,904)	-	(72,904)
Net assets released from restrictions			
Expiration of time restrictions	603,388	(603,388)	-
Satisfaction of purpose restrictions	3,622,732	(3,622,732)	-
	<u>4,153,216</u>	<u>(4,226,120)</u>	<u>(72,904)</u>
Total other changes	4,153,216	(4,226,120)	(72,904)
<b>Change in net assets</b>	3,833	(652,777)	(648,944)
Net assets (deficit) at beginning of year	(10,164)	2,567,094	2,556,930
<b>Net assets (deficit) at end of year</b>	<u>\$ (6,331)</u>	<u>\$ 1,914,317</u>	<u>\$ 1,907,986</u>

See accompanying notes.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions			
General donations	\$ 2,398,175	\$ 3,338,752	\$ 5,736,927
In-kind contributions	18,456	-	18,456
Government grants	764,119	-	764,119
Technical assistance and event fees	78,907	-	78,907
Other income	8,314	-	8,314
	<u>3,267,971</u>	<u>3,338,752</u>	<u>6,606,723</u>
<b>Total revenues</b>	<b>3,267,971</b>	<b>3,338,752</b>	<b>6,606,723</b>
<b>EXPENSES</b>			
Program services			
Cyprus	283,545	-	283,545
Middle East	1,195,991	-	1,195,991
Northern Ireland	517,024	-	517,024
South Africa	226,718	-	226,718
United States	2,721,328	-	2,721,328
	<u>4,944,606</u>	<u>-</u>	<u>4,944,606</u>
<b>Total program services</b>	<b>4,944,606</b>	<b>-</b>	<b>4,944,606</b>
Supporting activities			
Management and general	930,256	-	930,256
Fundraising	430,970	-	430,970
	<u>1,361,226</u>	<u>-</u>	<u>1,361,226</u>
<b>Total expenses</b>	<b>6,305,832</b>	<b>-</b>	<b>6,305,832</b>
<b>OTHER CHANGES</b>			
Foreign currency translation gain	(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>
<b>Total other changes</b>	<b>2,244,396</b>	<b>(2,295,728)</b>	<b>(51,332)</b>
<b>Change in net assets</b>	<b>(793,465)</b>	<b>1,043,024</b>	<b>249,559</b>
Net assets at beginning of year	783,301	1,524,070	2,307,371
	<u>783,301</u>	<u>1,524,070</u>	<u>2,307,371</u>
<b>Net assets (deficit) at end of year</b>	<b>\$ (10,164)</b>	<b>\$ 2,567,094</b>	<b>\$ 2,556,930</b>
	<u>\$ (10,164)</u>	<u>\$ 2,567,094</u>	<u>\$ 2,556,930</u>

See accompanying notes.

**PEACEPLAYERS INTERNATIONAL**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended June 30, 2023 and 2022

	Program Services					Supporting Activities		Total Expenses
	Cyprus	Middle East	Northern Ireland	South Africa	United States	Management and General	Fundraising	
<b>2023</b>								
Personnel	\$ 113,597	\$ 825,580	\$ 324,629	\$ 162,725	\$ 2,393,164	\$ 488,387	\$ 248,914	\$ 4,556,996
Professional fees	20,596	44,434	22,542	7,459	651,274	275,776	144,590	1,166,671
Training, retreats, and assessments	665	-	2,336	2,560	40,624	-	-	46,185
Occupancy	14,793	115,970	39,405	15,378	158,543	20,511	14,664	379,264
Travel and lodging	29,820	166,218	80,119	27,620	354,248	46,413	53,923	758,361
Uniforms and equipment	7,042	23,942	4,225	5,634	99,995	-	-	140,838
Insurance	4,909	20,437	4,451	4,097	8,643	64,030	229	106,796
Depreciation	770	1,751	3,102	6,200	457	2,048	-	14,328
Office expenses	10,227	6,818	10,227	20,454	197,723	92,244	3,409	341,102
Information technology	499	1,848	2,827	1,359	5,431	47	-	12,011
<b>Total expenses</b>	<b>\$ 202,918</b>	<b>\$ 1,206,998</b>	<b>\$ 493,863</b>	<b>\$ 253,486</b>	<b>\$ 3,910,102</b>	<b>\$ 989,456</b>	<b>\$ 465,729</b>	<b>\$ 7,522,552</b>

	Program Services					Supporting Activities		Total Expenses
	Cyprus	Middle East	Northern Ireland	South Africa	United States	Management and General	Fundraising	
<b>2022</b>								
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	29,892	158,048	48,312	18,019	64,668	19,811	1,311	340,061
Travel and lodging	26,478	108,406	61,628	16,365	93,562	31,373	27,037	364,849
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
<b>Total expenses</b>	<b>\$ 283,545</b>	<b>\$ 1,195,991</b>	<b>\$ 517,024</b>	<b>\$ 226,718</b>	<b>\$ 2,721,328</b>	<b>\$ 930,256</b>	<b>\$ 430,970</b>	<b>\$ 6,305,832</b>

See accompanying notes.



**PEACEPLAYERS INTERNATIONAL**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (648,944)	\$ 249,559
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	14,328	19,884
(Increase) decrease in assets		
Unconditional promises to give, net	(338,589)	(834,116)
Accounts receivable	(7,372)	33,855
Grants receivable	9,480	53,602
Prepaid expenses	452,889	(366,884)
Security deposits	(646)	1,429
Increase (decrease) in liabilities		
Accounts payable	2,475	(34,399)
Accrued payroll	38,306	(40,281)
Refundable advances	(20,015)	5,460
	<u>(498,088)</u>	<u>(911,891)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(21,961)	(8,273)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowings on line of credit	246,867	563
Proceeds received from note payable, related-party	200,000	-
	<u>446,867</u>	<u>563</u>
<b>Change in cash</b>	(73,182)	(919,601)
Cash at beginning of year	<u>875,769</u>	<u>1,795,370</u>
<b>Cash at end of year</b>	<u>\$ 802,587</u>	<u>\$ 875,769</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	\$ 21,216	\$ 1,126

See accompanying notes.

**PEACEPLAYERS INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

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**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, 2023 and 2022

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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, 2023 and 2022, 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. These grants are subject to financial and compliance reviews and audits by the agencies providing direct or indirect funding pursuant to authority given by law or regulation. Such reviews and audits could result in claims against PPI for disallowed costs or noncompliance with the provisions of contracts and grant agreements. No determination has been made regarding the effect, if any, such reviews and audits could have on the financial statements.

**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, 2023 and 2022

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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.

**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.

**Leases**

PPI does not recognize short-term leases in the statement of financial position. For these leases, PPI recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. PPI also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, PPI uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**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.

**PEACEPLAYERS INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Adoption of New Accounting Guidance**

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The guidance in this Update and all subsequently issued clarifying Updates supersede the guidance in FASB Accounting Standards Codification (ASC) Topic 840, Leases, and creates FASB ASC Topic 842, Leases. The main difference between previous guidance and Topic 842 is the recognition of assets and liabilities by lessees for those leases classified as operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Also, under Topic 842, disclosures are required by lessees and lessors to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from leases.

PPI adopted the requirements of Topic 842 as of July 1, 2022, using the optional transition method that allows PPI to initially apply the new guidance at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. PPI's reporting for the year ended June 30, 2022, is in accordance with the previous guidance in Topic 840.

PPI elected the package of practical expedients permitted under the transition guidance within Topic 842. This package allowed PPI to account for its leases that commenced before the adoption date without reassessing whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases.

The adoption of Topic 842 did not result in the recognition of operating lease right-of-use assets or operating lease liabilities as of July 1, 2022 as all of PPI's leases are considered short-term leases. The adoption of Topic 842 did not have an effect on PPI's change in net assets or cash flows.

**Reclassifications**

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

**Date of Management's Review**

Management has evaluated subsequent events through March 8, 2024, the date which the financial statements were available to be issued.

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. At June 30, 2023 and 2022, PPI-DC has uninsured cash balances of approximately \$179,000 and \$-0-, respectively.

**PEACEPLAYERS INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

**NOTE 3 – PROMISES TO GIVE**

Unconditional promises to give consist of the following:

	2023	2022
Receivable in less than one year	\$ 1,734,143	\$ 892,942
Receivable in one to five years	-	500,000
Unconditional promises to give	1,734,143	1,392,942
Discount to net present value	(16,212)	(13,600)
Unconditional promises to give, net	\$ 1,717,931	\$ 1,379,342

For the years ended June 30, 2023 and 2022, promises to give due in more than one year are discounted at an effective rate of 5.25% and 2.79%, respectively.

**NOTE 4 – FIXED ASSETS**

Fixed assets consist of the following:

	2023	2022
Furniture and equipment	\$ 106,757	\$ 102,167
Vehicles	29,076	13,772
Total fixed assets	135,833	115,939
Accumulated depreciation	(108,199)	(95,938)
Fixed assets, net	\$ 27,634	\$ 20,001

**NOTE 5 – LEASES**

PPI leases various office spaces under month-to-month operating leases located in Northern Ireland, South Africa, Washington D.C., Cyprus, and the Middle East. Total lease cost for the years ended June 30, 2023 and 2022 was \$128,066 and \$130,211, 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 August 7, 2024 and is secured by assets of PPI-DC.

**NOTE 7 – CONDITIONAL GRANTS**

PPI has a government grant that is conditioned upon PPI incurring certain qualifying expenses under the grant program. At June 30, 2023, this conditional grant totaled \$67,169. This conditional grant will be recognized as revenue when the respective conditions are met in future years.

**PEACEPLAYERS INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

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**NOTE 8 – NOTE PAYABLE**

In 2023, PPI received a loan in the amount of \$200,000 from a Board member. The note is non-interest bearing and is payable as cash flow allows.

**NOTE 9 – 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 10 – NET ASSETS WITH DONOR RESTRICTIONS**

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

	2023	2022
Purpose restricted		
USA general programming	\$ 311,198	\$ -
Leadership academy	228,544	718,201
Detroit	192,708	-
Northern Ireland general programming	45,495	17,065
Brooklyn	40,000	-
South Africa	30,000	-
Enrique Moscol Scholarship fund	29,410	-
Baltimore	19,602	-
Middle East general programming	17,352	146,468
Los Angeles	10,000	-
Friendship games	-	1,398,793
Chicago general programming	-	20,000
Subsequent periods	990,008	266,567
Net assets with donor restrictions	\$ 1,914,317	\$ 2,567,094

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**NOTE 11 – 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, 2023 and 2022, retirement expense was \$157,664 and \$121,591, respectively.

**NOTE 12 – IN-KIND CONTRIBUTIONS**

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

	2023		
	PPI-CY	PPI-DC	Total
Consulting services	\$ -	\$ 428	\$ 428
	2022		
	PPI-CY	PPI-DC	Total
Consulting services	\$ 4,397	\$ -	\$ 4,397
Supplies	-	14,059	14,059
Total	\$ 4,397	\$ 14,059	\$ 18,456

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.



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NOTE 13 – 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:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end		
Cash	\$ 802,587	\$ 875,769
Unconditional promises to give, net	1,717,931	1,379,342
Accounts receivable	7,372	-
Grants receivable	<u>49,264</u>	<u>58,744</u>
Total financial assets at year-end	2,577,154	2,313,855
Less amounts unavailable for general expenditures within one year:		
Donor-restricted with time and purpose restrictions	<u>(924,309)</u>	<u>(2,300,527)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,652,845</u>	<u>\$ 13,328</u>

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.