



PEACE PLAYERS

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

CONTENTS

| | |
|--|---|
| Independent Auditor's Report | 1 |
| Consolidated Statements of Financial Position..... | 3 |
| Consolidated Statements of Activities..... | 4 |
| Consolidated Statements of Functional Expenses | 6 |
| Consolidated Statements of Cash Flows | 7 |
| Notes to Financial Statements | 8 |

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, 2025 and 2024, 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, based on our audits and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of PeacePlayers International as of June 30, 2025 and 2024, 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.

We did not audit the financial statements of PeacePlayers International-Northern Ireland, which statements reflect total assets of \$364,512 and \$103,233 as of June 30, 2025 and 2024, respectively, and total revenues of \$728,282 and \$651,859, respectively, for the years then ended. Those statements, which were prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, were audited by other auditors in accordance with International Standards on Auditing, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of PeacePlayers International-Northern Ireland, which conform those financial statements to accounting principles general accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for PeacePlayers International-Northern Ireland, prior to these conversion adjustments is based solely on the report of, and additional audit procedures to meet the relevant requirements of auditing standards generally accepted in the United States of America (GAAS) performed by, the other auditors.

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.

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

Wegner CPAs, LLP
Alexandria, Virginia
May 4, 2026

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

| | 2025 | 2024 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash | \$ 833,875 | \$ 756,771 |
| Unconditional promises to give | 1,315,317 | 837,076 |
| Grants receivable | 549 | 106,936 |
| Prepaid expenses | 127,580 | 43,541 |
| Security deposits | 5,353 | 4,871 |
| Operating lease right-of-use asset | 24,626 | - |
| Fixed assets, net | 14,420 | 21,732 |
| Total assets | \$ 2,321,720 | \$ 1,770,927 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 128,886 | \$ 74,467 |
| Accrued payroll | 103,727 | 138,594 |
| Refundable advances | 313,223 | 10,777 |
| Operating lease liability | 24,626 | - |
| Note payable, related-party | 150,000 | 175,000 |
| Total liabilities | 720,462 | 398,838 |
| NET ASSETS | | |
| Without donor restrictions | 76,446 | (238,969) |
| With donor restrictions | 1,524,812 | 1,611,058 |
| Total net assets | 1,601,258 | 1,372,089 |
| Total liabilities and net assets | \$ 2,321,720 | \$ 1,770,927 |

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| REVENUES | | | |
| Contributions | | | |
| General donations | \$ 878,951 | \$ 2,971,530 | \$ 3,850,481 |
| Government grants | 994,162 | - | 994,162 |
| Technical assistance and event fees | 61,560 | - | 61,560 |
| Other income | 6,955 | - | 6,955 |
| Total revenues | 1,941,628 | 2,971,530 | 4,913,158 |
| EXPENSES | | | |
| Program services | | | |
| Middle East | 892,323 | - | 892,323 |
| Northern Ireland | 653,068 | - | 653,068 |
| South Africa | 365,428 | - | 365,428 |
| United States | 2,043,890 | - | 2,043,890 |
| Total program services | 3,954,709 | - | 3,954,709 |
| Supporting activities | | | |
| Management and general | 332,944 | - | 332,944 |
| Fundraising | 402,912 | - | 402,912 |
| Total expenses | 4,690,565 | - | 4,690,565 |
| OTHER CHANGES | | | |
| Foreign currency translation gain | 6,576 | - | 6,576 |
| Net assets released from restrictions | | | |
| Expiration of time restrictions | 884,133 | (884,133) | - |
| Satisfaction of purpose restrictions | 2,173,643 | (2,173,643) | - |
| Total other changes | 3,064,352 | (3,057,776) | 6,576 |
| Change in net assets | 315,415 | (86,246) | 229,169 |
| Net assets (deficit) at beginning of year | (238,969) | 1,611,058 | 1,372,089 |
| Net assets at end of year | \$ 76,446 | \$ 1,524,812 | \$ 1,601,258 |

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| REVENUES | | | |
| Contributions | | | |
| General donations | \$ 883,049 | \$ 1,911,444 | \$ 2,794,493 |
| Government grants | 1,066,814 | - | 1,066,814 |
| Technical assistance and event fees | 73,116 | - | 73,116 |
| Other income | 10,493 | - | 10,493 |
| Total revenues | 2,033,472 | 1,911,444 | 3,944,916 |
| EXPENSES | | | |
| Program services | | | |
| Cyprus | 1,446 | - | 1,446 |
| Middle East | 765,395 | - | 765,395 |
| Northern Ireland | 595,168 | - | 595,168 |
| South Africa | 195,884 | - | 195,884 |
| United States | 2,096,371 | - | 2,096,371 |
| Total program services | 3,654,264 | - | 3,654,264 |
| Supporting activities | | | |
| Management and general | 428,615 | - | 428,615 |
| Fundraising | 388,022 | - | 388,022 |
| Total expenses | 4,470,901 | - | 4,470,901 |
| OTHER CHANGES | | | |
| Foreign currency translation loss | (9,912) | - | (9,912) |
| Net assets released from restrictions | | | |
| Expiration of time restrictions | 1,000,631 | (1,000,631) | - |
| Satisfaction of purpose restrictions | 1,214,072 | (1,214,072) | - |
| Total other changes | 2,204,791 | (2,214,703) | (9,912) |
| Change in net assets | (232,638) | (303,259) | (535,897) |
| Net assets (deficit) at beginning of year | (6,331) | 1,914,317 | 1,907,986 |
| Net assets (deficit) at end of year | \$ (238,969) | \$ 1,611,058 | \$ 1,372,089 |

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2025 and 2024

| | Program Services | | | | Supporting Activities | | Total Expenses | |
|-------------------------------------|-------------------|-------------------|-------------------|---------------------|------------------------|------------------------|---------------------|---------------------|
| | Middle East | Northern Ireland | South Africa | United States | Management and General | Fundraising | | |
| 2025 | | | | | | | | |
| Personnel | \$ 678,386 | \$ 442,195 | \$ 215,770 | \$ 1,527,522 | \$ 155,661 | \$ 345,198 | \$ 3,364,732 | |
| Professional fees | 35,147 | 44,523 | 13,911 | 212,721 | 119,096 | 44,324 | 469,722 | |
| Training, retreats, and assessments | - | 5,546 | 83 | 16,517 | 1,406 | - | 23,552 | |
| Occupancy | 74,841 | 55,737 | 7,135 | 25,779 | 21,002 | 2,997 | 187,491 | |
| Travel and lodging | 77,194 | 80,561 | 67,029 | 159,359 | 3,616 | 8,282 | 396,041 | |
| Uniforms and equipment | 4,403 | 12,815 | 19,636 | 27,985 | - | - | 64,839 | |
| Tuition and grants | - | - | - | 35,187 | - | - | 35,187 | |
| Insurance | 15,827 | 4,546 | 8,468 | 11,205 | 8,639 | - | 48,685 | |
| Depreciation | - | - | - | - | 10,196 | - | 10,196 | |
| Office expenses | 6,253 | 7,145 | 32,044 | 26,665 | 9,582 | 2,090 | 83,779 | |
| Information technology | 272 | - | 1,352 | 950 | 3,746 | 21 | 6,341 | |
| Total expenses | \$ 892,323 | \$ 653,068 | \$ 365,428 | \$ 2,043,890 | \$ 332,944 | \$ 402,912 | \$ 4,690,565 | |
| | | | | | | | | |
| | Program Services | | | | Supporting Activities | | Total Expenses | |
| | Cyprus | Middle East | Northern Ireland | South Africa | United States | Management and General | Fundraising | |
| 2024 | | | | | | | | |
| Personnel | \$ 786 | \$ 558,359 | \$ 380,301 | \$ 145,407 | \$ 1,561,628 | \$ 180,739 | \$ 288,405 | \$ 3,115,625 |
| Professional fees | - | 18,368 | 26,010 | 2,241 | 167,063 | 179,029 | 96,927 | 489,638 |
| Training, retreats, and assessments | - | - | 2,679 | 2,786 | 7,051 | - | - | 12,516 |
| Occupancy | - | 61,218 | 65,119 | 4,410 | 36,522 | 7,844 | - | 175,113 |
| Travel and lodging | 388 | 88,990 | 69,617 | 15,776 | 188,154 | 326 | 2,453 | 365,704 |
| Uniforms and equipment | - | 9,004 | 21,663 | 6,549 | 39,915 | - | - | 77,131 |
| Tuition and grants | - | - | - | - | 40,150 | - | - | 40,150 |
| Insurance | 185 | 14,785 | 9,962 | 8,318 | 24,730 | 17,519 | - | 75,499 |
| Depreciation | - | - | 2,839 | 4,870 | - | 3,056 | - | 10,765 |
| Office expenses | 87 | 14,338 | 13,821 | 2,468 | 26,583 | 39,891 | 237 | 97,425 |
| Information technology | - | 333 | 3,157 | 3,059 | 4,575 | 211 | - | 11,335 |
| Total expenses | \$ 1,446 | \$ 765,395 | \$ 595,168 | \$ 195,884 | \$ 2,096,371 | \$ 428,615 | \$ 388,022 | \$ 4,470,901 |

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 229,169 | \$ (535,897) |
| Adjustments to reconcile change in net assets to net cash flows from operating activities | | |
| Depreciation | 10,196 | 10,765 |
| Amortization of discount on long-term unconditional promises to give | (8,000) | (16,212) |
| Amortization of operating lease right-of-use asset | 3,699 | - |
| Forgiveness of note payable, related-party | (25,000) | (25,000) |
| (Increase) decrease in assets | | |
| Unconditional promises to give | (470,241) | 897,067 |
| Grants receivable | 106,387 | (50,300) |
| Prepaid expenses | (84,039) | (5,906) |
| Security deposits | (482) | 16,010 |
| Increase (decrease) in liabilities | | |
| Accounts payable and accrued expenses | 54,419 | (28,170) |
| Accrued payroll | (34,867) | (56,173) |
| Refundable advances | 302,446 | 293 |
| Operating lease liability | (3,699) | - |
| Net cash flows from operating activities | <u>79,988</u> | <u>206,477</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of fixed assets | (2,884) | (4,863) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net (payments) borrowings on line of credit | <u>-</u> | <u>(247,430)</u> |
| Change in cash | 77,104 | (45,816) |
| Cash at beginning of year | <u>756,771</u> | <u>802,587</u> |
| Cash at end of year | <u>\$ 833,875</u> | <u>\$ 756,771</u> |
| SUPPLEMENTAL DISCLOSURES | | |
| Cash paid for interest | \$ 4,584 | \$ 16,943 |
| Noncash investing and financing activities | | |
| Forgiveness of note payable, related party | 25,000 | 25,000 |

See accompanying notes.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

PeacePlayers International (PPI) is a non-profit organization based in Washington, D.C. Since 2001 PPI has worked to unite divided communities through sports and a program modeled to bridge divides, change perceptions and develop leaders in conflict and post-conflict communities. In addition to its US-based locations, PPI has affiliates in the Middle East (Israel and West Bank), Northern Ireland, South Africa, and Cyprus (until June 2025). The US programs and international 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 is primarily supported by contributions.

PeacePlayers International – United States (PPI-US) In the U.S., historical divides driven by race and geography have created an inequitable society. PPI is working to develop a network of young leaders who come together across the community divides and become catalysts in building a more peaceful and equitable society. PPI-US falls under the 501(c)(3) tax exemption of PeacePlayers International.

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 sports—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 International - Cyprus (PPI-CY) was a locally led, independently registered charity in Cyprus, until June 2025, that used 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 to overcome generations of mistrust and formidable physical barriers to interaction. The Cyprus program was terminated in June 2025.

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 statement of activities.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Government Grants

PPI receives grants from government agencies that are conditioned upon PPI incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by PPI, both a receivable from the grantor agency and revenue are recorded. Amounts received in advance are recorded as refundable advances.

Grants are subject to financial and compliance reviews and audits by the United States Agency for International Development, the United States Government Accountability Office, or other 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 the grant agreements. In management's opinion, it is highly unlikely that an adverse material outcome will result from those reviews or audits.

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 statement 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 is recognized when the service is provided. Contracts for these services may be short-term or annual, depending on the engagement. PPI typically invoices clients upon completion of services or periodically for longer-term contracts. Payment terms generally range from 30 to 60 days. Some contracts may require partial or full advance payment, which is recorded as deferred revenue until the service is delivered. Revenue from event fees is recognized when the event occurs. Registration fees are often collected in advance, and these payments are recorded as deferred revenue until the event takes place.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

PPI does not recognize short-term leases in the consolidated 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 for Tax Purposes and is exempt from income tax under the tax laws of the Northern Ireland HM Revenue & Customs.

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.

Date of Management's Review

Management has evaluated subsequent events through May 4, 2026, the date which the financial statements were available to be issued.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

PPI-DC maintains its cash balances in a financial institution 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, 2025, PPI-DC had no uninsured cash balances. At June 30 2024, PPI-DC has uninsured cash balances of approximately \$170,000.

Additionally, PPI-DC maintains cash balances in foreign financial institutions, which may not be insured or may be subject to foreign deposit insurance limits.

PPI-DC monitors its cash balances and evaluates counterparty risk as part of its risk management strategy.

NOTE 3 – LINE OF CREDIT

PPI has a \$400,000 revolving line of credit. Advances on the credit line carry an interest rate based on the prime rate. The line of credit does not have a stated maturity date and will remain in effect until terminated by either party in accordance with the loan agreement. The credit line is secured by the assets of PPI.

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following:

| | 2025 | 2024 |
|--------------------------|-----------|-----------|
| Furniture and equipment | \$ 36,595 | \$ 35,117 |
| Vehicles | 29,075 | 29,076 |
| Total fixed assets | 65,670 | 64,193 |
| Accumulated depreciation | (51,250) | (42,461) |
| Fixed assets, net | \$ 14,420 | \$ 21,732 |

NOTE 5 – LEASES

Short-term leases

PPI leases various office spaces under short-term operating leases located in Northern Ireland, South Africa, Washington D.C., and Israel.

Long-term lease

PPI leases office space under a noncancelable operating lease agreement that expires on January 31, 2027. The lease requires monthly base rent payments of \$1,076 through January 31, 2026 and \$1,184 through January 31, 2027. In addition, PPI pays fixed monthly service fees of \$50 for internet services, which are included in the lease expense.

The lease does not contain any variable lease components.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 5 – LEASES (CONTINUED)

Other information related to the lease are as follows:

| | <u>2025</u> | <u>2024</u> |
|---|-------------|-------------|
| Cash payments classified as part of operating cash flows for amounts included in the measurement of lease liabilities | \$ 5,380 | \$ - |
| Right-of-use assets obtained in exchange for new lease liability | 28,324 | - |
| Weighted-average remaining lease term | 1.6 years | N/A |
| Weighted-average discount rate | 5.00% | N/A |

The maturities of operating lease liabilities are as follows:

| | | |
|-------------------------|--|------------------|
| Year ending June 30: | | |
| 2026 | | \$ 14,055 |
| 2027 | | <u>10,571</u> |
| Total lease liabilities | | <u>\$ 24,626</u> |

Total lease cost for the years ended June 30, 2025 and 2024 was \$57,912 and \$58,518, respectively.

NOTE 6 – PROMISES TO GIVE

Unconditional promises to give consist of the following:

| | <u>2025</u> | <u>2024</u> |
|-------------------------------------|---------------------|-------------------|
| Receivable in less than one year | \$ 1,011,317 | \$ 748,076 |
| Receivable in one to five years | <u>320,000</u> | <u>97,000</u> |
| Unconditional promises to give | 1,331,317 | 845,076 |
| Discount to net present value | <u>(16,000)</u> | <u>(8,000)</u> |
| Unconditional promises to give, net | <u>\$ 1,315,317</u> | <u>\$ 837,076</u> |

For the years ended June 30, 2025 and 2024, promises to give due in more than one year are discounted at an effective rate of 3.60% and 5.50%, respectively.

NOTE 7 – 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. During each of the years ended June 30, 2025 and 2024, \$25,000 was forgiven by the Board member. Subsequent to June 30, 2025, the loan was repaid in full.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 8 – 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, 2025 and 2024, retirement expense was \$77,332 and \$85,659, respectively.

NOTE 9 – PAYCHECK PROTECTION PROGRAM LOAN

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 loan.

NOTE 10 – CONDITIONAL GRANT AND REFUNDABLE ADVANCES

Conditional Grant

PPI has various grants that are conditioned upon PPI incurring certain qualifying expenses under the grant programs. At June 30, 2025, these conditional grants totaled \$445,769. These conditional grants will be recognized as revenue when the respective condition are met in future years.

Refundable Advances

Funds received in advance of satisfying grant conditions are recorded as refundable advances in the accompanying statement of financial position. At June 30, 2025 and 2024, PPI had refundable advances of \$313,223 and \$10,777, respectively, related to conditional grant agreements for which qualifying expenditures or other barriers had not yet been met.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

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

| | 2025 | 2024 |
|--------------------------------------|--------------|--------------|
| Purpose restricted | | |
| USA general programming | \$ 200,000 | \$ 73,232 |
| Leadership academy | 46,928 | 99,638 |
| Detroit | 104,346 | 187,875 |
| Northern Ireland general programming | 67,255 | 93,299 |
| Brooklyn | 10,000 | 25,000 |
| South Africa | 3,510 | 46,457 |
| Middle East general programming | 10,000 | 110,162 |
| Steve's initiative | 85,822 | 91,177 |
| Head in the Game | 11,217 | 10,990 |
| Friendship games | 56,268 | - |
| National Lottery | 13,396 | - |
| Garfield Weston | 67,181 | - |
| Sports relief program | 3,998 | - |
| International games | 20,093 | - |
| Chicago | 4,167 | - |
| Enrique Moscol Scholarship fund | - | 34,272 |
| Baltimore | - | 19,644 |
| Los Angeles | - | 43,333 |
| Summer programming | - | 15,000 |
| Youth Board | - | 10,000 |
| Girls summit | - | 15,000 |
| Sports matter program | - | 25,000 |
| Subsequent periods | 820,631 | 710,979 |
| Net assets with donor restrictions | \$ 1,524,812 | \$ 1,611,058 |

NOTE 12 – FOREIGN OPERATIONS

PPI's affiliates are located in Israel, Northern Ireland, and South Africa. As of June 30, 2025 and 2024, assets in other countries, including cash, receivables, prepaid expenses, and property and equipment, totaled \$737,344 and \$356,722; and liabilities in other countries were \$373,598 and \$113,546. Total overseas support and revenue received from foreign sources amounted to \$2,170,148 and \$1,660,503 for the years ended June 30, 2025 and 2024, respectively. The functional currencies of these foreign operations are the local currencies. The financial statements of the PPI's foreign affiliates have been translated into U.S. dollars. All consolidated statement of financial position accounts have been translated using the exchange rate in effect at the consolidated statement of financial position dates. Consolidated statements of activities amounts have been translated using the exchange rate when the transaction occurs. Foreign currency translation gains and losses have been reported separately in the consolidated statements of activities. Accumulated net translation adjustments are included with net assets without donor restrictions in the consolidated statements of financial position.

PEACEPLAYERS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 12 – FOREIGN OPERATIONS (CONTINUED)

The changes in accumulated translation adjustments for the years ended June 30, 2025 and 2024, are as follows:

| | 2025 | 2024 |
|--|--------------|--------------|
| Balance at beginning of year | \$ (156,757) | \$ (133,476) |
| Foreign currency translation adjustments | 3,429 | (23,281) |
| Balance at end of year | \$ (153,328) | \$ (156,757) |

NOTE 13 – LIQUIDITY AND AVAILABILITY

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

| | 2025 | 2024 |
|--|-------------|------------|
| Financial assets at year-end | | |
| Cash | \$ 833,875 | \$ 756,771 |
| Unconditional promises to give | 1,315,317 | 837,076 |
| Grants receivable | 549 | 106,936 |
| Total financial assets at year-end | 2,149,741 | 1,700,783 |
| Less amounts unavailable for general expenditures within one year: | | |
| Donor-restricted with time and purpose restrictions | (1,008,181) | (989,079) |
| Refundable advances | (313,223) | (10,777) |
| Financial assets available to meet cash needs for general expenditures within one year | \$ 828,337 | \$ 700,927 |

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.