



Financial Statements

Years Ended July 31, 2023 and 2022

PEACE LEARNING CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Peace Learning Center, Inc.
Indianapolis, Indiana

Opinion

We have audited the accompanying financial statements of Peace Learning Center, Inc. (the Center) (an Indiana not-for-profit corporation) which comprise the statements of financial position as of July 31, 2023 and 2022, and the related statements of activities and functional expenses for the year ended July 31, 2022 with comparative totals for 2021, and its cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peace Learning Center, Inc. as of July 31, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Peace Learning Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Peace Learning Center, Inc.'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Peace Learning Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Peace Learning Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

We have previously audited Peace Learning Center's financial statements for the year ended July 31, 2022 and we expressed an unmodified opinion on the financial statements dated July 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2022, is consistent in all material respects, with the audited financial statements from which it has been derived.

Humphrey CPA Group, L.L.C.

Indianapolis, Indiana

June 14, 2024

PEACE LEARNING CENTER, INC.

STATEMENTS OF FINANCIAL POSITION July 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,018,346	\$ 738,355
Investments	24,258	23,091
Accounts receivable	270,030	188,549
Inventory	67,000	87,606
TOTAL CURRENT ASSETS	1,379,634	1,037,601
PROPERTY AND EQUIPMENT		
Furniture and equipment	66,036	66,036
Leasehold improvements	86,155	22,355
Vehicles	24,125	24,125
	176,316	112,516
less Accumulated depreciation	(101,888)	(91,647)
Total Property and Equipment	74,428	20,869
OTHER NON CURRENT ASSETS		
Goodwill, net of accumulated amortization	22,224	27,780
TOTAL ASSETS	\$ 1,476,286	\$ 1,086,250
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 81,222	\$ 15,966
Accrued expenses	43,176	28,423
Current portion of long term loan	0	20,000
Deferred revenue	641,667	333,333
TOTAL LIABILITIES	766,065	397,722
NET ASSETS		
Net assets without donor restriction	560,221	590,611
Net assets with donor restriction	150,000	97,917
TOTAL NET ASSETS	710,221	688,528
TOTAL LIABILITIES AND NET ASSETS	\$ 1,476,286	\$ 1,086,250

See accompanying notes and independent auditor's report.

PEACE LEARNING CENTER, INC.

STATEMENT OF ACTIVITIES

For the Year Ended July 31, 2023 (with comparative totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	(Memo only) Total
SUPPORT AND REVENUE				
Support				
Grants received	\$ 1,102,906	\$ 150,000	\$ 1,252,906	\$ 985,317
Contributions received	57,396	0	57,396	35,979
In-kind donations	60,112	0	60,112	60,000
Total Support	<u>1,220,414</u>	<u>150,000</u>	<u>1,370,414</u>	<u>1,081,296</u>
Revenue				
Program service revenue	386,942	0	386,942	422,762
Interest and dividend income	6,969	0	6,969	1,818
Special events, net	43,450	0	43,450	29,002
Other revenue	34,416	0	34,416	63,397
Unrealized gain (loss) on value of investments	848	0	848	(2,195)
Total revenue	<u>472,625</u>	<u>0</u>	<u>472,625</u>	<u>514,784</u>
Total Support and Revenue	1,693,039	150,000	1,843,039	1,596,080
Other revenue				
Net assets released from restrictions	<u>97,917</u>	<u>(97,917)</u>	<u>0</u>	<u>0</u>
TOTAL SUPPORT AND REVENUE	<u>1,790,956</u>	<u>52,083</u>	<u>1,843,039</u>	<u>1,596,080</u>
EXPENSES				
Program services				
Program services	1,647,998	0	1,647,998	1,340,854
Management and general	48,609	0	48,609	42,895
Fundraising	124,739	0	124,739	67,343
TOTAL EXPENSES	<u>1,821,346</u>	<u>0</u>	<u>1,821,346</u>	<u>1,451,092</u>
CHANGE IN NET ASSETS	(30,390)	52,083	21,693	144,988
NET ASSETS, BEGINNING	<u>590,611</u>	<u>97,917</u>	<u>688,528</u>	<u>543,540</u>
NET ASSETS, ENDING	<u>\$ 560,221</u>	<u>\$ 150,000</u>	<u>710,221</u>	<u>\$ 688,528</u>

See accompanying notes and independent auditor's report.

PEACE LEARNING CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended July 31, 2023 (with comparative totals for 2022)

	2023				2022	
	Program Service	Management and General	Fundraising Expenses	Total Expenses	(Memo only)	Total Expenses
Salaries and related expenses	\$ 1,103,787	\$ 23,816	\$ 78,608	\$ 1,206,211	\$	866,722
Contract services	64,098	4,462	2,387	70,947		88,820
Insurance expense	22,718	1,893	631	25,242		20,881
Training and development	32,300	2,119	1,455	35,874		13,736
Office supplies	4,491	345	366	5,202		2,065
Postage and printing	4,477	312	2,062	6,851		6,388
Travel and meetings	2,864	21	7	2,892		1,820
Rent	54,000	4,500	1,500	60,000		60,000
Facility and equipment	34,432	2,554	1,015	38,001		25,439
Partnership expenses	209,785	2,613	871	213,269		272,811
Program expenses	47,719	688	5,850	54,257		20,642
Other expenses	50,650	3,920	29,532	84,102		59,525
Business expenses	2,460	181	60	2,701		8,310
Depreciation and amortization	14,217	1,185	395	15,797		3,933
Total expenses	\$ 1,647,998	\$ 48,609	\$ 124,739	\$ 1,821,346	\$	1,451,092

See accompanying notes and independent auditor's report.

PEACE LEARNING CENTER, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended July 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants	\$ 1,561,239	\$ 585,317
Cash received from contributions	57,396	35,979
Cash received from program service	305,461	286,452
Cash received from other sources	77,866	92,399
Investment income	6,651	981
Cash paid to vendors and employees	<u>(1,644,824)</u>	<u>(1,353,278)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>363,791</u>	<u>(352,150)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(63,800)</u>	<u>(20,469)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(63,800)</u>	<u>(20,469)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long term debt	<u>(20,000)</u>	<u>(25,000)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(20,000)</u>	<u>(25,000)</u>
NET INCREASE (DECREASE) IN CASH	279,991	(397,619)
CASH, BEGINNING OF YEAR	<u>738,355</u>	<u>1,135,974</u>
CASH, END OF YEAR	<u>\$ 1,018,346</u>	<u>\$ 738,355</u>

See accompanying notes and independent auditor's report.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended July 31, 2023 and 2022

(1) Nature of operations

Peace Learning Center, Inc. (the Center) was incorporated in 1999. The current mission of the Center is to facilitate community learning to act as a catalyst for peace, equity, and justice. This is achieved using innovative learning practices that address Equity Learning, Restorative Practices Learning, Social Emotional Learning and Family Learning.

(2) Summary of significant accounting policies

The significant accounting policies followed by the Center are summarized below.

Comparative Financial information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class and also by functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Center's audited financial statements for the year ended July 31, 2022, from which the summarized information was derived.

Method of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. This is in accordance with standards for accounting and financial reporting under ASC 958, *Not-for-Profit Entities* and the AICPA Audit and Accounting Guide, *Not-for-Profit Entities*. Revenue is recognized in the period services are provided. Amounts collected in advance are treated as deferred income. Expenses are recorded in the period the expenditure is incurred. Under this authoritative guidance, the Center is required to present financial statements which are prepared to focus on the Organization as a whole and to present balances and transactions according to the following net asset classification:

- **Net assets without donor restrictions:**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Center's management and the board of directors.

- **Net assets with donor restrictions:**

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended July 31, 2023 and 2022

(2) Summary of significant accounting policies(continued)

Measure of operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Center ongoing ministry and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Revenue Recognition

The Center has adopted FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers Topic (606)*. This ASU supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principles of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Contributions and donations received

The Center recognizes contributions when cash, securities or other assets are received; if the donor has given an unconditional promise to give; or if a notification of a beneficial interest is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met. As of July 31, 2023 and 2022, the Center has not received any contributions with conditional promises.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Included in the statement of activities is an in-kind donation for rent of the facility from the City of Indianapolis. The value of the rent is \$60,000.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended July 31, 2023 and 2022

(2) Summary of significant accounting policies(continued)

Use of estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Tax Status

The Center has been determined to be exempt from state and federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. There were no payments for penalties and interest related to taxes during the years ended July 31, 2023 and 2022.

Financial Accounting Standards Board ASC 740 requires the Center to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The Center has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions for any years open to audit.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program(s) and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended July 31, 2023 and 2022

(2) Summary of significant accounting policies(continued)

Concentration of credit risk

The Center relies on funding from various sources to run its program. Revenue recognized from one granting source for the Center's direct operations was approximately 26% and 28% of total support and revenue for the years ended July 31, 2023 and 2022.

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank. The Center maintains accounts at local banks and in cash equivalent funds. Amounts in bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. Cash has exceeded the FDIC guarantee at times during the year. Funds in one institution were in excess of the FDIC guarantee by approximately \$769,000 and \$494,000 as of July 31, 2023 and 2022.

To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of the Center's mission. Investments are made by diversified investment managers whose performance is monitored by the Center and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Center and the board believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended July 31, 2023 and 2022

(2) Summary of significant accounting policies(continued)

Cash and cash equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts and grants receivable

Accounts and grants receivable are related to a fee for service arrangement or a cost reimbursement arrangement. Interest is not charged on outstanding balances. Management reviews collectability on a regular basis and adjusts allowance for doubtful accounts and bad debt expense at such time the receivable has been determined uncollectible. As of July 31, 2023 and 2022, management has determined that no allowance should be made for doubtful accounts.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Inventory

Inventory consists of educational materials purchased and are valued at original cost using first in first out methods.

Equipment

Equipment is recorded at cost and depreciated using the straight-line method over estimated useful lives of five to ten years. Leasehold improvements are recorded at cost and depreciated using the straight-line method over estimated useful lives of 15 to 25 years. The Center's policy is to capitalize amounts over \$500 with useful lives of more than one year. Repairs and maintenance items that do not increase the useful lives of the assets are charged to change in net assets as incurred.

Depreciation expense for the year ended July 31, 2023 and 2022 totaled \$10,241 and \$3,933.

Goodwill

The Center purchased the assets of another organization in the amount of \$27,780. Starting with the year ended July 31, 2023, this is being written off over 5 years. Amortization for the year totaled \$5,556.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended July 31, 2023 and 2022

(2) Availability and liquidity

The following represents the Center's financial assets as at July 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,018,346	\$ 738,355
Investments	24,258	23,091
Accounts receivable	<u>270,030</u>	<u>188,549</u>
	1,312,634	949,995
Amounts received in advance	<u>641,667</u>	<u>333,333</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 670,967</u>	<u>\$ 616,662</u>

The Center anticipates revenue for the upcoming year to be comparable to the current fiscal year. Funding has been obtained through Lilly Endowment through July 2025. Additional grants have been secured that have funds available to offset related expenses of the program.

(3) Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended July 31, 2023 and 2022

(3) Fair Value Measurements and Disclosures (continued)

A three-tier hierarchy categorizes the inputs as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Center's assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The Center also invests in CDs traded in the financial markets. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2. The fair values of beneficial interests in charitable and perpetual trusts are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. The fair value of beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered Level 3 measurements.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended July 31, 2023 and 2022

(3) Fair Value Measurements and Disclosures (continued)

The Center's investment consists of equity investment mutual funds and other instruments traded on the open market. The fair value of the mutual fund was determined by reference to quoted market prices (Level 1). The mutual fund is held at Edward Jones. The fair value of the mutual fund at July 31, 2023 and 2022 was \$21,297 and \$20,100. The cost basis of this mutual fund is \$16,001 and \$15,672 as of July 31, 2023 and 2022. Unrealized gain (loss) on the value of the mutual fund for the year ended July 31, 2023 and 2022 was \$873 and \$(2,296) respectively. Dividends earned on the mutual fund are reinvested to purchase more shares of the fund. The total shares owned as of July 31, 2023 and 2022 were 684.363 and 673.201, respectively. The Center has an investment in a certificate of deposit held at Edward Jones. The cost value of the certificate is \$3,000 and \$3,000 as of July 31, 2023 and 2022. The fair value of the certificate is \$2,960 and \$2,989 as of July 31, 2023 and 2022. Interest earned on the certificate is kept in a separate money market account held at Edward Jones. The balance in that account is \$188 and \$251 is included in cash and cash equivalents on the statement of financial position.

There were no level 2 or 3 investments as of July 31, 2023 and 2022.

Investments held at July 31, 2023 and 2022 consist of the following:

Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
<hr/>	<hr/>

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended July 31, 2023 and 2022

(3) Fair Value Measurements and Disclosures (continued)

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
2022		
Investment in American Balanced Fund-Class A. 673.201 shares-Held at Edward Jones.	\$ 20,100	\$ 20,100
Wells Fargo Bank NA Sioux Falls 3.0% Certificate of deposit, Maturity Date 2/27/2024-Held at Edward Jones.	2,991	2,991
Total	\$ 23,091	\$ 23,091

(4) Deferred revenue and grants received

The Center has an institutional partnership with ACT OUT Theatre Ensemble and is the primary recipient of an \$800,000, two-year grant from Lilly Endowment that is awarded in its entirety up front. The grant covers the period August 1, 2021 through July 31, 2023. The grant awards \$315,000 as a direct pass through to ACT OUT and \$485,000 to the Center for operations. For the year ended July 31, 2023 and 2022, the Center recognized \$391,666 and \$262,262 for expenses related to these programs and is included in grants received in the statement of activities. Lilly Endowment has renewed the contract in the amount of \$700,000. Set up as deferred revenue on these grants was \$641,667 and \$333,333 as of July 31, 2023 and 2022 and will be recognized over the remaining life of the contract as the related expenses are incurred.

(5) Grant revenue/Net Assets with donor restrictions

The Center is the recipient of a grant with the National Urban League in the amount of \$300,000 to be used by July 2025. The Center received \$125,000 during the year ended July 31, 2023 and has been reported as net assets with donor restrictions.

The Center is the recipient of a grant with the Indiana Family and Social Services Administration, Division of Mental Health and Addiction (DMHA) in the amount of \$750,000. These funds are a pass through from the Catalog of Federal Domestic Assistance (CFDA) Mental Health Grants 21.027. The grant runs from July 2022 through December 31, 2024. The funds are to be used for the Restorative Practices Program. Amounts billed for the year ended July 31, 2023 totaled \$100,465. Included in receivables as of July 31, 2023 were \$70,248 of amounts billed but not yet received.

PEACE LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended July 31, 2023 and 2022

(5) Grant revenue/Net Assets with donor restrictions

The Center received funds totaling \$249,930 from the Central Indiana Community Foundation to be used in the Restorative Juvenile Justice Initiative Program as part of the Elevation Grant awarded to the Center. These funds had been spent through July 31, 2023. The Center was awarded an additional \$249,719 for the period November 2023 through October 2024 to be used toward this program.

For the year ended the Center had grants totaling \$97,917 available for operations during the year ended July 31, 2022. These grants were applied to operations for the year ended July 31, 2023.

(6) Operating Leases

The Center has an agreement with the City of Indianapolis Parks Department to lease the facility located in Eagle Creek Park. Management has estimated the annual cost of leasing this facility at \$60,000 and \$60,000 for the years ended July 31, 2023 and 2022, respectively. This is recorded as an in-kind donation and is included as rent in the statement of functional expenses.

(7) Notes Payable

The Center entered into a purchase agreement with an unrelated party for the purchase of materials for the Tribes Educational program in the amount of \$95,000. The Center made three (3) installments of \$25,000 and a final payment in the amounts of \$20,000 by June 1, 2023. The balance as of July 31, 2023 and 2022 was \$0 and \$20,000.

(8) Retirement Plan

The Center maintains a Simple IRA plan covering substantially all employees, who meet the minimum age and service requirements. Eligible employees may make contributions to the plan up to the federal limits each year. Employer contributions are capped at 3% of employee compensation. The Center's contributions to the plan were \$11,195 and \$10,652 for the years ended July 31, 2023 and 2022.

(9) Subsequent events

Subsequent events have been evaluated as of the report letter date, the date the financial statements were available for release.