

PEACEJAM FOUNDATION

**Financial Statements
and
Auditor's Report**

Years Ended December 31, 2017 and 2016

PEACEJAM FOUNDATION

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Terrance L. Bartell CPA

Board of Directors
PeaceJam Foundation
11200 Ralston Road
Arvada, CO 80004

I have audited the accompanying financial statements of the PeaceJam Foundation, a Colorado Not-For-Profit Corporation, which comprise of the statement of financial position as of December 31, 2017 and 2016, and the related statement of activities, cash flows and functional expenses for the year ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

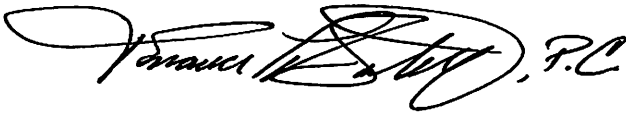
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the PeaceJam Foundation, a Colorado Not-For-Profit Corporation as of December 31, 2017, and the changes in its net assets, cash flows and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Francis A. [unclear], P.C.", with a large, stylized flourish above the name.

Aurora, Colorado
April 17, 2017

PEACEJAM FOUNDATION
A Colorado Nonprofit Organization

STATEMENT OF FINANCIAL POSITION
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 61,894	\$ 197,934
Accounts receivable	50,410	11,764
Grants receivable	2,848	5,252
Unconditional promises to give	487,000	380,000
Investments	118	397
Inventory	927	923
Prepaid expenses	5,600	716
Total current assets	<u>\$ 608,797</u>	<u>\$ 596,986</u>
FIXED ASSETS		
Property and equipment net of accumulated depreciation of \$27,650 and \$27,429	111	332
INTANGIBLES AND OTHER ASSETS		
Intangible assets net of accumulated amortization of \$887,045 and \$759,987	449,183	451,950
TOTAL ASSETS	<u><u>\$ 1,058,091</u></u>	<u><u>\$ 1,049,268</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 114,738	\$ 80,355
Total current liabilities	<u>\$ 114,738</u>	<u>\$ 80,355</u>
NET ASSETS		
Net assets without donor restrictions	<u>\$ 943,353</u>	<u>\$ 968,913</u>
TOTAL NET ASSETS	<u>943,353</u>	<u>968,913</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,058,091</u></u>	<u><u>\$ 1,049,268</u></u>

Accompanying notes are an integral part of these financial statements

PEACEJAM FOUNDATION
A Colorado Nonprofit Organization

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

(With Summarized Comparative Totals for the Year Ended December 31, 2016)

	Year Ended December 31, 2017				2016	
	Program Services	General and Administrative	Fund Raising	Temporarily Restricted	Total	Total
Revenue, Grants and Support:						
Contributions without donation restrictions	\$ 1,044,625				\$ 1,044,625	\$ 1,149,604
Contributions with donor restrictions	196,683				196,683	141,067
Contributions - in kind	80,549				80,549	52,044
NWI income				507,768	507,768	503,900
Grant income	66,804				66,804	39,844
Program and conference fees	118,669				118,669	114,145
Event fees			15,460		15,460	41,254
Sales revenue	26,517				26,517	3,281
Fee revenue		27,650			27,650	30,187
Interest and investment income	551			7	558	130
Gain on sale of assets	241				241	1,217
Total Revenue, grants and support	\$ 1,534,639	27,650	15,460	507,775	\$ 2,085,524	\$ 2,076,673
Expenditures:						
Program services	\$ 1,490,837				\$ 1,490,837	\$ 1,370,593
General and administrative		57,178			57,178	73,209
Fundraising			55,327		55,327	31,009
Special programs				507,742	507,742	504,033
	\$ 1,490,837	57,178	55,327	507,742	\$ 2,111,084	\$ 1,978,844
Change in Net Assets	43,802	(29,528)	(39,867)	33	(25,560)	97,829
Net assets at beginning of year	1,000,432	(41,805)	10,245	41	968,913	871,084
Net assets at end of year	\$ 1,044,234	(71,333)	(29,622)	74	\$ 943,353	\$ 968,913

Accompanying notes are an integral part of these financial statements

PEACEJAM FOUNDATION
A Colorado Nonprofit Organization

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

(With Summarized Comparative Totals for the Year Ended December 31, 2016)

	Year Ended December 31, 2017				2016	
	Program Services	General and Administrative	Fund Raising	Temporarily Restricted	Total	Total
EXPENDITURES:						
Salaries and Related Expense						
Salaries	\$ 391,447	24,531	22,864		\$ 438,842	\$ 481,808
Contracted labor	-	-	-		-	6,775
Employee benefits	44,817	2,809	2,744		50,370	45,602
Total Salaries and related expense	\$ 436,264	27,340	25,608	-	\$ 489,212	\$ 534,185
Operating Expenses						
Advertising	5,613	-	-		5,613	10,290
Conferences and events	717,912	-	17,500		735,412	521,810
Insurance	10,376	280	2,894		13,550	7,368
Repairs and maintenance	49	3	3		55	133
Meetings	1,461	92	85		1,638	1,767
Occupancy	47,052	2,973	261		50,286	47,026
Office expense	14,805	1,084	719		16,608	31,814
Professional fees	11,078	15,372	1,622		28,072	24,695
Program services - other	33,889	-	-		33,889	63,498
Travel	101,727	-	-		101,727	118,088
Amortization	113,336	7,103	6,620		127,059	113,916
Depreciation	197	12	12		221	221
Total Operating expenses	1,057,495	26,919	29,716	-	1,114,130	940,626
Special Programs						
NWI expense	-	-	-	507,742	507,742	504,033
Total Functional Expenses	\$ 1,493,759	54,259	55,324	507,742	\$ 2,111,084	\$ 1,978,844

Accompanying notes are an integral part of these financial statements

PEACEJAM FOUNDATION
A Colorado Nonprofit Organization

STATEMENT OF CASH FLOWS

December 31, 2017

(With Summarized Comparative Totals for the Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (25,561)	\$ 97,828
Adjustments to reconcile change in net assets to cash provided by operating activities		
Amortization	127,059	113,916
Depreciation	221	222
Realized gains from investments	(241)	(114)
Realized gains from sales of assets	-	(1,218)
Changes in operating assets and liabilities		
Accounts receivable	(38,646)	(6,768)
Grants receivable	2,404	294,748
Unconditional promises to give	(107,000)	(330,000)
Inventory	(4)	32
Prepaid expenses	(4,884)	11,820
Accounts payable	34,384	(6,323)
Deferred revenue	-	(11,310)
Net cash used from operating activities	<u>\$ (12,268)</u>	<u>\$ 162,833</u>
Cash flows from investing activities:		
Proceeds for sale of property and equipment	-	1,218
Proceeds from sale of investments	146,980	
Purchase of investments	(146,459)	
Acquisition of intangible assets	<u>\$ (124,292)</u>	<u>\$ (212,203)</u>
Net cash used from investing activities	<u>\$ (123,771)</u>	<u>\$ (210,985)</u>
Net change in cash and cash equivalents	(136,039)	(48,152)
Cash and cash equivalents, beginning of year	<u>197,933</u>	<u>246,085</u>
Cash and cash equivalents, end of year	<u>\$ 61,894</u>	<u>\$ 197,933</u>
Supplemental Disclosures of Cash Flows Information:		
Cash paid for the year for:		
Interest	\$ -	\$ 3,718

Accompanying notes are an integral part of these financial statements

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – HISTORY AND NATURE OF ACTIVITIES

PeaceJam Foundation is a non-profit Foundation, that was established in 1996 as an international educational youth outreach program that is built around thirteen Nobel Peace Prize Laureates who work personally with youth to pass on the spirit, skills and wisdom they embody. The goal of the Foundation is to inspire a new generation of peacemakers who will transform their local communities, themselves and the world. The Foundation's primary support comes from grants, contributions, sponsored events along with chapter and affiliate fees.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of PeaceJam Foundation (Foundation), a Colorado Nonprofit Corporation, is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis to Financial Statements Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. The financial statements of PeaceJam Foundation include all of the financial transactions of its three operating divisions: PeaceJam Programming (educational curriculum and programming); PeaceJam Productions (Nobel Legacy film series and video production); and, PeaceJam's One Billion Acts of Peace Campaign (goal of one billion acts of peace by the end of 2019). The financial activities of the Foundation's Chapters and Affiliates (except for the Rocky Mountain Region, which are not fiscally responsible to the Foundation), have not been included in the accompanying financial statements.

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Cash and Cash Equivalents

For purposes of the statement of financial position and statement of cash flows, the Foundation considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At December 31, 2017 management believes that the carrying amount of cash equivalents approximate fair value because of the short maturity of these financial instruments.

Accounts and Grants Receivable

Accounts and grants receivable arise in the ordinary course of operations whereby the Foundation has contracted to provide certain charitable, generally training, services. Management has established an allowance for doubtful accounts for amounts that may not be collectable.

Unconditional Promises to Give

Unconditional promises to give, both grants and pledges, are provided by Grantors or Donors and are conditional only on the passage of time or demand by the Foundation for performance. To be considered an unconditional promise to give the grantor pledge, in the opinion of Management, pledges must be legally enforceable. In addition, unconditional promises to give are only reported at the amount Management expects to realize. Conditional promises to give are not recorded as a receivable since the promise to give depends on the occurrence of a specific future and uncertain event to bind the promisor. Revenue from these conditional promises to give will not be recorded until payment is received.

Inventory

Inventory consists of videos, T-shirts and office related items held for distribution, use and/or sale. Inventory is recorded at the lower of cost (first-in, first-out) or market (net realizable value).

Prepaid Items

The Foundation may pay its insurance and various other expenses in advance of the due date. The costs applicable to future periods have been accounted for as prepaid items and will be expensed in the appropriate accounting period.

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Property, Plant and Equipment

Property and equipment purchases are recorded at cost. Amounts expended for improvements to increase the useful life of equipment are capitalized. Maintenance, repairs and minor replacements are expensed as incurred. The capitalized cost of property, plant and equipment is being depreciated utilizing the straight-line method over three, five or seven years based on the estimated useful life of the asset.

Intangible Assets

Intangible assets are recorded at cost. Amounts expended to increase the useful life of the intangible asset are capitalized. The capitalized cost of intangible assets is being amortized utilizing the straight-line method over three, five, ten or forty years based on the estimated useful life of the asset.

Management assesses the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Management does not believe that any impairment has occurred as of December 31, 2017 and 2016.

Deferred Revenue

The Foundation collects annual Chapter and Affiliate Fees based on a membership year from July 1 through June 30. The Foundation records deferred membership revenue when it collects Chapter or Affiliate Fees prior to the date or period in which the fee will be earned.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Management estimates requiring the application of significant judgement include valuations of certain alternative investments. The current economic environment may increase the uncertainty of those estimates.

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted Net Assets

Unrestricted support and revenue consists of contributions, grants, fees, sales, etc. received that are not subject to donor-imposed restrictions or temporarily restricted support and revenue whose temporary restriction has been released. Unrestricted support and revenue is available for the Foundation's use as directed by the Board of Directors and Management, in daily operations.

Temporarily Restricted Net Assets

Grants, Contributions, Support and Revenue with donor-imposed stipulations as to the use of the funds that may or will be met, either by actions of the Foundation or the passage of time before the Foundation is allowed to release the monies to unrestricted revenue.

Permanently Restricted Net Assets

Support and revenue which are subject to permanent donor-imposed stipulations as to the use of the resources provided. These restrictions may or may not allow the Board of Directors and Management to use all or part of the related earnings for operating activities. The Foundation has no Permanently Restricted Net Assets as of December 31, 2017 and 2016.

Support and Revenue

Support and revenues are recorded as they are earned. In accordance with Financial Accounting Standards Board Statement Number 117, the Foundation records its support and revenue as Unrestricted, Temporarily Restricted (Restricted) or Permanently Restricted.

Grant Income

Grants received by the Foundation are recognized by the Foundation in accordance with the terms and conditions of the grant. Grantors generally designate the specific use(s) of the monies that they give to the Foundation. Therefore, the amounts received from the Grantor may be considered restricted support, either temporarily or permanently depending on the Grantor's designation as to its use.

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Contributions, Cash and In-Kind

A number of unpaid volunteers and interns have made significant contributions of their time to the Foundation's activities and educational programs. As appropriate, amounts have been recognized in the accompanying statements of these activities when they meet the criteria for recognition of such efforts under Financial Accounting Standards Board Statement Number 116, Accounting for Contributions Received and Contributions Made.

- The Board of Directors of the Foundation has directed that the proceeds from corporate or individual cash and in-kind contributions are to be used directly for operations unless the donor has imposed restrictions on the use of the contribution.
- During the years ended December 31, 2017 and 2016, the Foundation received unrestricted cash contributions of \$1,044,625 and \$1,149,604, respectively.
- During the years ended December 31, 2017 and 2016, the Foundation received unrestricted in-kind contributions of \$80,549 and \$52,044, respectively.

Chapter and Affiliate Fees

Fees are billed annually. Chapter and Affiliate Fee income is only recognized when the Chapter or Affiliate renewal is exercised due to the wholly voluntary nature of these affiliations.

Event Fees and Sales Revenue:

The Foundation records monies received from attendees to events, sponsors of events and from sales of products in the period earned.

Restricted Contributions, Cash and In-Kind

The Foundation records all Donor imposed restricted support as an increase in the Temporarily or Permanently restricted net assets depending on the nature of the restriction(s). When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction has been accomplished), temporarily restricted net assets are released/reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. However, if a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports that support as unrestricted. The Foundation also receives restricted contributions specifically designated for a not-for-profit organization located outside the United States which does not have a 501(c)(3) exemption. These funds are passed on to that organization. The Foundation receives a fee for these services.

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3 – FAIR VALUE MEASUREMENT

The Foundation reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Foundation has access at the measurement date.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from or corroborated by, observable market data by correlation or by other means.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Foundation measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the Foundation is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Foundation's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- Recurring measurement of short term investments (note 4).

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – INVESTMENTS

The Foundation’s investments consist of the following at December 31, 2017:

	<u>Fair Value</u>
Investments	
Cash and cash equivalents	\$ 118
Mutual funds: open	-
Mutual funds: equity	-
Total investments	<u>\$ 118</u>

As discussed in note 3 to these financial statements, the Foundation is required to report its fair value measurements in one to three levels, which are based on the ability to observe in the marketplace the inputs to the Foundation’s valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of December 31, 2015. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable and is used in situations for which there is little, if any, market activity for the investment.

The Foundation uses the following ways to determine the fair value of its investments:

Money market funds: Determined by the published net asset value per unit at the end of the last trading day of the fiscal year, this is the basis for transactions at that date.

Equity securities traded on national securities exchanges: Determined by the closing price on the last business day of the fiscal year.

Open-end mutual funds: Determined by the published net asset value per unit at the end of the last trading day of the fiscal year, this is the basis for the transaction at that date.

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

The following table summarizes the levels in the fair value hierarchy of the Foundation's investments at December 31, 2017

Investments	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 118	118	-	-
Mutual funds: open	-	-	-	-
Mutual funds: equity	-	-	-	-
	<u>118</u>	<u>118</u>	<u>-</u>	<u>-</u>

There were no transfers between the levels during the year. The Foundation's policy is to recognize transfers in and out of the levels at the end of the fiscal year. At December 31, 2016, the Foundation did not have any investments measured using level 2 inputs.

The composition of the investment return reported in the statement of activities is as follows:

Investment return	
Interest income	\$ 241
Dividend income	-
Realized and unrealized net gains on investments	<u>241</u>

NOTE 5 – ACCOUNTS AND GRANTS RECEIVABLE

The following summarizes PeaceJam Foundation's accounts and grants receivable and the related allowance for doubtful accounts at December 31,

	<u>2017</u>	<u>2016</u>
Accounts Receivable	\$ 50,410	\$ 11,764
Contracts Receivable	<u>2,848</u>	<u>5,252</u>
Total Accounts and Contracts Receivable	\$ 53,258	\$ 17,017
Less: Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>
Accounts and Contracts Receivable, Net	<u>\$ 53,258</u>	<u>\$ 17,017</u>

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 6 – PROPERTY AND EQUIPMENT

The following summarizes PeaceJam Foundation's investment in property and equipment, and the associated accumulated depreciation at December 31,

	<u>2017</u>	<u>2016</u>
Furniture and Fixtures	\$ 1,024	\$ 1,024
Computer Equipment	25,437	25,437
Equipment	<u>1,300</u>	<u>1,300</u>
Total Property and Equipment	\$ 27,761	\$ 27,761
Less: Accumulated Depreciation	(27,650)	(27,429)
Property and Equipment	\$ 111	\$ 332
	=====	=====

NOTE 7 – INTANGIBLE ASSETS

The following summarizes PeaceJam Foundation's investment in intangible assets, and the associated accumulated amortization at December 31,

	<u>2017</u>	<u>2016</u>
Organizational Costs	\$ 14,249	\$ 14,249
Trademark/Logo	20,608	20,608
Intellectual Property	5,000	5,000
PeaceJam Documentary Products	1,207,912	1,083,620
Website	<u>88,459</u>	<u>88,459</u>
Total Intangible Assets	\$ 1,336,228	\$ 1,211,936
Less: Accumulated Amortization	(887,045)	(759,987)
Intangible Assets	\$ 449,183	\$ 451,949
	=====	=====

NOTE 8 – IN-KIND CONTRIBUTIONS

Revenues have been recorded for the in-kind contributions that were received by the Foundation. Those revenues include donated facilities, materials, supplies and services generally related to sponsored events and are reported in the statements of activities. The related in-kind expenses have been recorded and are reported in the statements of activities and the statements of functional expenses for the years ended December 31, 2017 and 2016.

PEACEJAM FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 9 – LEASE COMMITMENTS

As of May 1, 2010, the Foundation entered into an office space lease with the City of Arvada. The lease is for ten years and does not require lease payments during the first 100 months. After the lease credit period, the lease payments are \$400 per month. The office space lease is an operating lease that expires in April 30, 2020. The following are the future base rents due for years ending December 31,

Year	
2017	\$ -
2018	-
2019	-
2020	-
All future years 2019 - 2020	<u>\$ 8,000</u>
Total Future Base Rents	\$8,000

The Foundation has recognized an in-kind contribution of \$48,462 and \$44,928, respectively, for rents, repairs and maintenance costs forgone by the City of Arvada during the years ended December 31, 2017 and 2016.

NOTE 10 – CONCENTRATIONS OF CREDIT RISK

The Foundation maintains a substantial portion of its cash and investments in a single financial institution. The balances of the various checking and savings accounts do not exceed the \$250,000 per depositor insured limit set by the Federal Deposit Insurance Corporation (FDIC). Investment accounts are insured by the FDIC.

NOTE 11 – NOBEL WOMEN’S INITIATIVE AGREEMENT

The Foundation entered into an agreement with the Nobel Women’s initiative (NWI), a Canadian nonprofit corporation. Agreement was entered into as of the January 4, 2017 and renewal on an annual basis. NWI intends to promote the work of women Nobel Peace Laureates and inspire young women throughout the world. The NWI initiative will operate as a special project of the PeaceJam Foundation until January 1, 2018. NWI will pay the costs incurred by the foundation in order to oversee the financials and generate reports as requested by NWI. This monthly fee of \$400 per month is to cover the costs for the bookkeeper’s time. At December 31, 2017 and 2016, the pass-through expenses for NWI amounted to \$507,743 and \$504,033, respectively.

PEACEJAM FOUNDATION
A Colorado Nonprofit Corporation

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 12 - TAXES STATUS

The Foundation is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code(IRC) and the Colorado Income Tax Act of 1964 (as amended), though it would be subject to tax on income unrelated to its exempt purpose (unless that income is otherwise excluded by the IRC). Therefore, no provision or liability for income taxes is recognized in the Foundation's financial statements and records. Management believes there are no uncertain tax positions at December 31, 2017 and 2016 that more-likely-than-not would cause the Foundation to incur taxes, penalties or interest. The years open for tax authority examinations are 2014, 2015, and 2016 are still open to audit for federal purposes.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 17, 2018 which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.