

PLAYERS **PHILANTHROPY**FUND

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Players Philanthropy Fund
Towson, Maryland

Opinion

We have audited the financial statements of Players Philanthropy Fund, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Players Philanthropy Fund as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Players Philanthropy Fund 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 Players Philanthropy Fund'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 Players Philanthropy Fund'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 Players Philanthropy Fund'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
August 10, 2022

PLAYERS PHILANTHROPY FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 11,986,711	\$ 5,432,769
Unconditional promises to give	542,723	-
Prepaid expenses	<u>42,083</u>	<u>19,738</u>
Total current assets	12,571,517	5,452,507
OTHER ASSETS		
Investments	355,609	289,258
Security deposits	<u>2,390</u>	<u>2,390</u>
Total assets	<u><u>\$ 12,929,516</u></u>	<u><u>\$ 5,744,155</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,355,107	\$ 3,627
Paycheck Protection Program loan	<u>-</u>	<u>34,485</u>
Total liabilities	1,355,107	38,112
NET ASSETS		
Without donor restrictions	8,628	759,392
With donor restrictions		
Fiscal Sponsors' Philanthropy	<u>11,565,781</u>	<u>4,946,651</u>
Total net assets	<u>11,574,409</u>	<u>5,706,043</u>
Total liabilities and net assets	<u><u>\$ 12,929,516</u></u>	<u><u>\$ 5,744,155</u></u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 14,859,370	\$ 8,682,342	\$ 23,541,712	\$ 7,177,626	\$ 3,661,574	\$ 10,839,200
Special events	1,205,776	-	1,205,776	442,856	-	442,856
Less costs of direct benefits to donors	(177,362)	-	(177,362)	(29,736)	-	(29,736)
Special events, net	1,028,414	-	1,028,414	413,120	-	413,120
Investment return, net	93,727	-	93,727	42,775	-	42,775
Miscellaneous	200,429	-	200,429	35,899	-	35,899
Total support and revenue	16,181,940	8,682,342	24,864,282	7,669,420	3,661,574	11,330,994
EXPENSES						
Program services	16,162,886	-	16,162,886	6,681,029	-	6,681,029
Management and general	1,606,786	-	1,606,786	439,420	-	439,420
Fundraising	1,226,244	-	1,226,244	1,518,570	-	1,518,570
Total expenses	18,995,916	-	18,995,916	8,639,019	-	8,639,019
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	2,063,212	(2,063,212)	-	735,114	(735,114)	-
Change in net assets	(750,764)	6,619,130	5,868,366	(234,485)	2,926,460	2,691,975
Net assets at beginning of year	759,392	4,946,651	5,706,043	993,877	2,020,191	3,014,068
Net assets at end of year	<u>\$ 8,628</u>	<u>\$ 11,565,781</u>	<u>\$ 11,574,409</u>	<u>\$ 759,392</u>	<u>\$ 4,946,651</u>	<u>\$ 5,706,043</u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2021 and 2020

<u>2021</u>	Program Services	Management and General	Fundraising	Direct Benefits to Donors	Total
Grants and assistance	\$ 7,456,893	\$ -	\$ -	\$ -	\$ 7,456,893
Event fees	-	-	663,471	177,362	840,833
Professional fees	5,675,345	745,926	-	-	6,421,271
Office expenses	1,166,023	198,369	46,437	-	1,410,829
Personnel	918,889	241,933	435,293	-	1,596,115
Information technology	78,973	20,793	37,411	-	137,177
Travel	220,810	35,824	-	-	256,634
Miscellaneous	65,541	3,075	-	-	68,616
Advertising	-	336,615	-	-	336,615
Occupancy	251,348	19,931	35,860	-	307,139
Insurance	38,154	4,320	7,772	-	50,246
Conferences and meetings	290,910	-	-	-	290,910
Total expenses	16,162,886	1,606,786	1,226,244	177,362	19,173,278
Less expenses included with support and revenue on the statements of activities	-	-	-	(177,362)	(177,362)
Total expenses included in the expenses section of the statements of activities	<u>\$ 16,162,886</u>	<u>\$ 1,606,786</u>	<u>\$ 1,226,244</u>	<u>\$ -</u>	<u>\$ 18,995,916</u>
<u>2020</u>	Program Services	Management and General	Fundraising	Direct Benefits to Donors	Total
Grants and assistance	\$3,911,708	\$ -	\$ -	\$ -	\$ 3,911,708
Event fees	-	-	435,916	29,736	465,652
Professional fees	1,819,256	240,747	556,693	-	2,616,696
Office expenses	141,578	8,515	295,047	-	445,140
Personnel	287,903	77,688	179,642	-	545,233
Information technology	29,207	7,881	18,225	-	55,313
Travel	67,053	1,625	3,758	-	72,436
Miscellaneous	76,059	-	-	-	76,059
Advertising	67,544	90,298	-	-	157,842
Occupancy	89,588	9,695	22,419	-	121,702
Insurance	15,526	2,971	6,870	-	25,367
Conferences and meetings	175,607	-	-	-	175,607
Total expenses	6,681,029	439,420	1,518,570	29,736	8,668,755
Less expenses included with support and revenue on the statements of activities	-	-	-	(29,736)	(29,736)
Total expenses included in the expenses section of the statements of activities	<u>\$ 6,681,029</u>	<u>\$ 439,420</u>	<u>\$ 1,518,570</u>	<u>\$ -</u>	<u>\$ 8,639,019</u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,868,366	\$ 2,691,975
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized (gain) loss on investments	(90,689)	42,658
Forgiveness of Paycheck Protection Program loan	(34,485)	-
Increase in assets		
Unconditional promises to give	(542,723)	-
Prepaid expenses	(22,345)	(19,738)
Increase (decrease) in liabilities		
Accounts payable	1,351,480	(10,292)
Net cash flows from operating activities	<u>6,529,604</u>	<u>2,704,603</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest and dividends retained in investments	(798,124)	(519,070)
Proceeds from sale of investments	822,462	405,097
Net cash flows from investing activities	<u>24,338</u>	<u>(113,973)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	34,485
Change in cash	<u>6,553,942</u>	<u>2,625,115</u>
Cash at beginning of year	<u>5,432,769</u>	<u>2,807,654</u>
Cash at end of year	<u><u>\$ 11,986,711</u></u>	<u><u>\$ 5,432,769</u></u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Players Philanthropy Fund (PPF) is a Section 501(c)(3) non-profit organization incorporated in the State of Maryland on May 10, 2010. PPF's mission is to provide professional athletes, celebrities, and other high-profile philanthropists (collectively called "Philanthropists") with a vehicle for collecting and distributing charitable assets in support of qualified causes through a simple, responsible and cost-effective platform. PPF offers a charitable platform, either a Fiscal Sponsorship or Donor Advised Fund, to support a charitable mission. Philanthropists participate by making tax-deductible contributions to their accounts and have advisory right to direct donations to various charities, subject to the review and approval of PPF's Board of Directors. The Philanthropies are also permitted to execute fundraising programs which also require approval by the Board of Directors. PPF is supported primarily by contributions and special events held by its fiscal sponsor organizations.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Investments

PPF carries investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Contributions

Contributions that are restricted by the donor are reported 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. 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.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2—INVESTMENTS

Investments are comprised of the following:

	2021	2020
Equity mutual funds	\$ 221,129	\$ 272,301
Common stock	130,105	16,957
Money market funds	4,375	-
Investments	\$ 355,609	\$ 289,258

Equity mutual funds and common stocks are valued at unadjusted quoted prices reported on the active markets on which the individual securities are traded, which are Level 1 fair value measurements.

NOTE 3—RELATED PARTY TRANSACTIONS

During the year, members of PPF's board and their immediate families participated in the funds administered by PPF. The boards' account balances consisted of the following:

	2021	2020
Cash	\$ 3,347	\$ 41,651
Investments	132,971	65,819
Total	\$ 136,318	\$ 107,470

Activity from these accounts consisted of the following:

	2021	2020
Contributions received	\$ 134,782	\$ 104,336
Grants awarded	\$ 105,934	\$ 83,675

PPF leases office space from Waverly Management, which is owned by a member of the Board of Directors. The lease expires in March 2023 requires monthly payments of \$3,449. For the years ended December 31, 2021 and 2020, rent expense under this agreement totaled \$41,388 and \$27,980, respectively.

Future minimum payments under this lease agreement total \$41,391 and \$6,899 for the years ended December 31, 2022, and 2023, respectively.

PPF's Board Treasurer's accounting firm performs bookkeeping services for PPF. For the years ended December 31, 2021 and 2020, accounting fees paid to the Board Treasurer's firm totaled \$7,000 and \$10,457.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 3—RELATED PARTY TRANSACTIONS (continued)

During 2021, PPF engaged a management company owned by the Chief Executive Officer and Chief Strategy Officer. The management company assists in providing management and administrative services to PPF. For the year ended December 31, 2021, fees paid to this management company totaled \$293,944.

NOTE 4—LEASE

In addition to the lease mentioned in Note 3, PPF's fiscal sponsors entered into various leases for office space, requiring monthly payments of ranging from \$210 to \$4,086, expiring at various dates through October 2024. Rent expense under these lease agreements for the years ended December 31, 2021 and 2020 was \$193,599 and \$16,941, respectively.

Future minimum payments required under the lease for the years ending December 31 are as follows:

2022		\$ 207,023
2023		132,471
2024		89,794

NOTE 5—LIQUIDITY AND AVAILABILITY

The following reflects PPF's financial assets as of the date of the statements of financial position, reduced by amounts not available for expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions.

	2021	2020
Financial assets at year-end	\$ 12,885,043	\$ 5,722,027
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(11,565,781)	(4,946,651)
Cash and investments held for long-term purposes	(628,645)	(703,468)
Financial assets available to meet cash needs for general expenditures within one year	\$ 690,617	\$ 71,908

PPF receives a substantial portion of its support and revenue from restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, PPF must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. Included in financial assets unavailable for general expenditures within one year at December 31, 2021 and 2020 are \$628,645 and \$703,468, respectively, of cash and investments held for long-term purposes in donor advised funds. Due to the nature of funds, PPF has variance power over the funds to use for general operations if deemed necessary. As part of PPF'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.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6—PAYCHECK PROTECTION PROGRAM LOAN

On April 28, 2020, PPF received a \$34,485 loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan accrues interest at 1% but payments are deferred until a determination of the amount of forgiveness is made. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by PPF during the covered period. Eligible expenses include payroll costs, rent, and utilities. Any unforgiven portion is payable over two years. On April 21, 2021, PPF received preliminary forgiveness of the loan. PPF 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 PPF's good-faith certification concerning the necessity of its loan request, whether PPF calculated the loan amount correctly, whether PPF used loan proceeds for the allowable uses specified in the CARES Act, and whether PPF is entitled to loan forgiveness in the amount claimed on its application. If SBA determines PPF was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 7—SUBSEQUENT EVENT

Subsequent to December 31, 2021, volatility experienced in the financial markets has resulted in a significant decline in the fair value of certain investments. As of August 10, 2022, the fair value of the investment portfolio declined by approximately \$70,000 from December 31, 2021.