

PLAYERS **PHILANTHROPY**FUND

FINANCIAL STATEMENTS

December 31, 2022 and 2021

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PLAYERS PHILANTHROPY FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 24,121,147	\$ 11,986,711
Unconditional promises to give	3,741,262	542,723
Prepaid expenses	-	42,083
Operating lease right-of-use assets	279,821	-
Investments	331,123	355,609
Security deposits	2,365	2,390
Total assets	<u>\$ 28,475,718</u>	<u>\$ 12,929,516</u>
LIABILITIES		
Accounts payable	\$ 927,653	\$ 1,355,107
Operating lease liabilities	282,330	-
Note payable	7,600	-
Total liabilities	1,217,583	1,355,107
NET ASSETS		
Without donor restrictions	336,043	8,628
With donor restrictions		
Fiscal Sponsors' Philanthropy	26,922,092	11,565,781
Total net assets	<u>27,258,135</u>	<u>11,574,409</u>
Total liabilities and net assets	<u>\$ 28,475,718</u>	<u>\$ 12,929,516</u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 25,908,469	\$ 19,985,859	\$ 45,894,328	\$ 14,859,370	\$ 8,682,342	\$ 23,541,712
Special events	2,518,609	-	2,518,609	1,205,776	-	1,205,776
Less costs of direct benefits to donors	(792,076)	-	(792,076)	(177,362)	-	(177,362)
Special events, net	1,726,533	-	1,726,533	1,028,414	-	1,028,414
Investment return, net	(112,640)	-	(112,640)	93,727	-	93,727
Miscellaneous	239,533	-	239,533	200,429	-	200,429
Total support and revenue	27,761,895	19,985,859	47,747,754	16,181,940	8,682,342	24,864,282
EXPENSES						
Program services	27,989,857	-	27,989,857	16,162,886	-	16,162,886
Management and general	1,811,720	-	1,811,720	1,606,786	-	1,606,786
Fundraising	2,262,451	-	2,262,451	1,226,244	-	1,226,244
Total expenses	32,064,028	-	32,064,028	18,995,916	-	18,995,916
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	4,629,548	(4,629,548)	-	2,063,212	(2,063,212)	-
Change in net assets	327,415	15,356,311	15,683,726	(750,764)	6,619,130	5,868,366
Net assets at beginning of year	8,628	11,565,781	11,574,409	759,392	4,946,651	5,706,043
Net assets at end of year	\$ 336,043	\$ 26,922,092	\$ 27,258,135	\$ 8,628	\$ 11,565,781	\$ 11,574,409

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2022 and 2021

<u>2022</u>	Program Services	Management and General	Fundraising	Direct Benefits to Donors	Total
Grants and assistance	\$ 8,947,681	\$ -	\$ -	\$ -	\$ 8,947,681
Event fees	-	-	1,571,644	792,076	2,363,720
Professional fees	13,012,914	835,895	-	-	13,848,809
Office expenses	3,301,749	194,537	62,783	-	3,559,069
Personnel	1,010,816	266,136	478,840	-	1,755,792
Information technology	184,048	48,458	87,186	-	319,692
Travel	544,848	43,134	-	-	587,982
Miscellaneous	104,548	31,017	-	-	135,565
Advertising	-	342,665	-	-	342,665
Occupancy	275,228	40,584	47,779	-	363,591
Insurance	69,997	9,294	14,219	-	93,510
Conferences and meetings	538,028	-	-	-	538,028
Total expenses	27,989,857	1,811,720	2,262,451	792,076	32,856,104
Less expenses included with support and revenue on the statements of activities	-	-	-	(792,076)	(792,076)
Total expenses included in the expenses section of the statements of activities	<u>\$ 27,989,857</u>	<u>\$ 1,811,720</u>	<u>\$ 2,262,451</u>	<u>\$ -</u>	<u>\$ 32,064,028</u>
<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	198,357	46,437	-	1,410,817
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	-	336,627	-	-	336,627
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>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 15,683,726	\$ 5,868,366
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized (gain) loss on investments	122,905	(90,689)
Amortization of operating lease right-of-use assets	133,362	-
Forgiveness of Paycheck Protection Program loan	-	(34,485)
(Increase) in assets		
Unconditional promises to give	(3,197,689)	(542,723)
Prepaid expenses	42,083	(22,345)
Increase (decrease) in liabilities		
Accounts payable	(427,482)	1,351,480
Operating lease liabilities	(131,650)	-
Net cash flows from operating activities	<u>12,225,255</u>	<u>6,529,604</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest and dividends retained in investments	(308,335)	(798,124)
Proceeds from sale of investments	<u>209,916</u>	<u>822,462</u>
Net cash flows from investing activities	(98,419)	24,338
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	<u>7,600</u>	-
Change in cash	12,134,436	6,553,942
Cash at beginning of year	<u>11,986,711</u>	<u>5,432,769</u>
Cash at end of year	<u><u>\$ 24,121,147</u></u>	<u><u>\$ 11,986,711</u></u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

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, 2022 and 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

PPF's earned revenue consists primarily of admission tickets to various special events. Revenue from admission tickets is recognized when the event occurs. It is the policy of PPF to not refund for fees received in connection with the events.

Expense Allocation

The financial statements report certain categories of 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 professional fees, office expenses, personnel, travel, and occupancy, which are allocated on the basis of estimates of time and effort.

Leases

PPF does not recognize short-term leases in the statement of financial position. For these leases, PPF 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. PPF 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, PPF uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Adoption of New Accounting Guidance

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

PPF adopted the requirements of Topic 842 as of January 1, 2022, using the optional transition method that allows PPF to initially apply the new guidance at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. PPF's reporting for the year ended December 31, 2021, is in accordance with the previous guidance in Topic 840.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The adoption of Topic 842 resulted in the recognition of operating lease right-of-use assets of \$321,215 and operating lease liabilities of \$321,215 as of January 1, 2022. The adoption of Topic 842 did not have a material effect on PPF's change in net assets or cash flows.

Advertising

PPF expenses advertising costs as they are incurred.

Income Tax Status

PPF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, PPF qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

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.

Date of Management's Review

Management has evaluated subsequent events through September 15, 2023, the date which the financial statements were available to be issued.

NOTE 2—INVESTMENTS

Investments are comprised of the following:

	<u>2022</u>	<u>2021</u>
Equity mutual funds	\$ 306,745	\$ 221,129
Common stock	16,054	130,105
Money market funds	<u>8,324</u>	<u>4,375</u>
Investments	<u>\$ 331,123</u>	<u>\$ 355,609</u>

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.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 3—RELATED PARTY TRANSACTIONS

PPF leases office space from Waverly Management, which is owned by a member of the Board of Directors. The lease expired in March 2023 required monthly payments of \$3,449. For the years ended December 31, 2022 and 2021, rent expense under this agreement totaled \$41,388 each year.

PPF's Board Treasurer's accounting firm performs bookkeeping services for PPF. For the years ended December 31, 2022 and 2021, accounting fees paid to the Board Treasurer's firm totaled \$7,000 each year.

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 years ended December 31, 2022 and 2021, fees paid to this management company totaled \$1,873,912 and \$293,944, respectively.

NOTE 4—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.

	2022	2021
Financial assets at year-end	\$ 28,193,532	\$ 12,885,043
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(26,922,092)	(11,565,781)
Cash and investments held for long-term purposes	(239,632)	(628,645)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,031,808	\$ 690,617

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, 2022 and 2021 are \$239,632 and \$628,645, 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, 2022 and 2021

NOTE 5—LEASES

PPF and its fiscal sponsored projects have operating leases across the country, with expiration dates through the year ended December 31, 2025. In addition, PPF and its fiscal sponsored projects have various leases for office and rental space on a month-to-month basis across the country. There are currently no variable lease components associated with PPF's operating leases.

The components of total lease cost are as follows:

Operating lease cost	\$ 136,893
Short term lease cost	<u>134,456</u>
Total lease cost	<u><u>\$ 271,349</u></u>

Other information related to operating leases is as follows:

Cash paid for amounts included in the measurement of operating lease liabilities	
Operating cash flows from operating lease	\$ 131,650
Right-of-use assets obtained in exchange for new operating lease liabilities	410,337
Weighted average remaining lease term	1.94 years
Weighted average discount rate	1.47%

The maturities of operating lease liabilities as of December 31, 2022 are as follows:

Year ending December 31:	
2023	\$ 152,345
2024	118,072
2025	<u>16,207</u>
Total minimum payments	286,624
Imputed interest	<u>(4,294)</u>
Total lease liabilities	<u><u>\$ 282,330</u></u>

For the year ending December 31, 2021, rent expense under PPF's lease agreements totaled \$193,599.

NOTE 6—CONCENTRATION OF CREDIT RISK

PPF maintains its cash balances at financial institutions located in the United States. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022 and 2021, PPF's uninsured cash balances totaled approximately \$21,000,000 and \$11,000,000, respectively.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 7—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 8—RETIREMENT PLAN

In 2022, PPF adopted a 401(k) retirement plan available to full-time employees who meet certain requirements. PPF matches 100% of employee contributions to the plan. For the year ended December 31, 2022, PPF contributed \$48,391 to the plan.

NOTE 9—NOTE PAYABLE

In 2022, PPF received a loan in the amount of \$7,600 from an unrelated third party. The note is noninterest bearing and is payable in full on December 31, 2024.