

PLAYERS PHILANTHROPY FUND

FINANCIAL STATEMENTS

December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Players Philanthropy Fund
Towson, Maryland

We have audited the accompanying financial statements of Players Philanthropy Fund, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related statement of functional expenses for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility 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; 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Players Philanthropy Fund as of December 31, 2018 and 2017, 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.

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, Players Philanthropy Fund adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and from the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
August 15, 2019

PLAYERS PHILANTHROPY FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,472,018	\$ 942,008
OTHER ASSETS		
Investments	<u>223,305</u>	<u>239,822</u>
Total assets	<u>\$ 1,695,323</u>	<u>\$ 1,181,830</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 126,085	\$ 69,455
NET ASSETS		
Without donor restrictions	754,003	713,558
With donor restrictions		
Fiscal Sponsors' Philanthropy	<u>815,235</u>	<u>398,817</u>
Total net assets	<u>1,569,238</u>	<u>1,112,375</u>
Total liabilities and net assets	<u>\$ 1,695,323</u>	<u>\$ 1,181,830</u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 1,387,460	\$ 734,461	\$ 2,121,921	\$ 1,259,023	\$ 155,800	\$ 1,414,823
Special events	981,024	-	981,024	521,017	-	521,017
Investment return	39,290	-	39,290	54,698	-	54,698
Miscellaneous	1,532	-	1,532	98	-	98
Total support and revenue	2,409,306	734,461	3,143,767	1,834,836	155,800	1,990,636
EXPENSES						
Program services	1,787,440	-	1,787,440	1,177,999	-	1,177,999
Management and general	235,992	-	235,992	186,957	-	186,957
Fundraising	663,472	-	663,472	461,658	-	461,658
Total expenses	2,686,904	-	2,686,904	1,826,614	-	1,826,614
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	318,043	(318,043)	-	364,385	(364,385)	-
Change in net assets	40,445	416,418	456,863	372,607	(208,585)	164,022
Net assets at beginning of year	713,558	398,817	1,112,375	340,951	607,402	948,353
Net assets at end of year	\$ 754,003	\$ 815,235	\$ 1,569,238	\$ 713,558	\$ 398,817	\$ 1,112,375

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Program Services	Management and General	Fundraising	Total
Grants and assistance	\$ 1,466,340	\$ -	\$ -	\$ 1,466,340
Event fees	-	-	620,672	620,672
Professional fees	245,769	169,009	32,769	447,547
Office expenses	5,084	28,698	678	34,460
Personnel	31,585	6,317	4,211	42,113
Travel	24,379	4,876	3,251	32,506
Advertising	-	24,256	-	24,256
Occupancy	11,699	2,340	1,560	15,599
Insurance	2,479	496	331	3,306
Conferences and meetings	105	-	-	105
Total expenses	<u>\$ 1,787,440</u>	<u>\$ 235,992</u>	<u>\$ 663,472</u>	<u>\$ 2,686,904</u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 456,863	\$ 164,022
Net realized and unrealized gain on investments	35,522	50,723
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Increase in liabilities		
Accounts payable	56,630	39,407
Net cash flows from operating activities	549,015	254,152
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest and dividends retained in investments	(265,835)	(374,892)
Proceeds from sale of investments	246,830	306,469
Net cash flows from investing activities	(19,005)	(68,423)
Change in cash	530,010	185,729
Cash at beginning of year	942,008	756,279
Cash at end of year	\$ 1,472,018	\$ 942,008

See accompanying notes.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncement

PPF adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended December 31, 2018. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The changes required by the update have been applied retrospectively to all periods presented. A key change required by the update are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Investments

PPF carries investments in marketable 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, 2018 and 2017

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Advertising

PPF expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2018 and 2017 totaled \$24,256 and \$23,765, respectively.

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 August 15, 2019, the date which the financial statements were available to be issued.

NOTE 2—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:

	<u>2018</u>	<u>2017</u>
Cash	\$ 40,771	\$ 63,236
Investments	<u>14,674</u>	<u>50,199</u>
Total	<u>\$ 55,445</u>	<u>\$ 113,435</u>

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 2—RELATED PARTY TRANSACTIONS (continued)

Activity from these accounts consisted of the following:

	2018	2017
Contributions received	\$ 45,013	\$ 68,783
Grants awarded	\$ 160,010	\$ 138,899
Advertising	\$ -	\$ 9,598

PPF leases office space from Waverly Management, which is owned by a member of the Board of Directors. The lease expires in March 2020 requires monthly payments of \$750 (\$1,000 per month through December 31, 2018). For the years ended December 31, 2018 and 2017, rent expense under this agreement totaled \$12,000 and \$9,000, respectively.

Future minimum payments under this lease agreement total \$9,000 and \$2,250 for years ended December 31, 2019 and 2020, respectively.

The Stover Family Foundation was created by a member of the Board. For the year ended December 31, 2017, approximately \$32,000 of funds from the Stover Family Foundation was used to pay program expenses, and management and general expenses for PPF. For the year ended December 31, 2018, no such funds were withdrawn to cover operating expenses.

PPF's Chief Operating Officer (COO) was named to the Board of Directors in 2017. For the years ended December 31, 2018 and 2017, the COO was compensated \$36,992 and \$37,660, respectively.

During the year ended December 31, 2018, PPF elected a new Board Treasurer whose accounting firm performs bookkeeping services for PPF. For the year ended December 31, 2018, accounting fees paid to the Board Treasurer's firm totaled \$12,278.

NOTE 3—LIQUIDITY AND AVAILABILITY

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

Financial assets at year-end	\$ 1,695,323
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with purpose restrictions	(815,235)
Cash and investments held for long-term purposes	(826,727)
Financial assets available to meet cash needs for general expenditures within one year	\$ 53,361

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 3—LIQUIDITY AND AVAILABILITY (continued)

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 are \$826,727 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.

NOTE 4—INVESTMENTS

Investments at December 31, 2018 and 2017 consist of equity mutual funds.

NOTE 5—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

	Assets at Fair Value as of December 31, 2018	
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)
Equity mutual funds	\$ 223,305	\$ 223,305
	Assets at Fair Value as of December 31, 2017	
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)
Equity mutual funds	\$ 239,822	\$ 239,822