

PLAYERS PHILANTHROPY FUND

FINANCIAL STATEMENTS

December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Players Philanthropy Fund
Towson, MD

We have audited the accompanying financial statements of Players Philanthropy Fund, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, 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 audit. We conducted our audit 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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Restatement of Net Assets

As discussed in Note 5 to the financial statements, certain errors resulting in an understatement of previously reported temporarily restricted net assets were discovered during the current year. Accordingly, amounts reported for beginning unrestricted and temporarily restricted net assets have been restated. Our opinion is not modified with respect to that matter.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
October 12, 2018

PLAYERS PHILANTHROPY FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2017

ASSETS

CURRENT ASSETS

Cash \$ 942,008

OTHER ASSETS

Investments 239,822

Total assets

\$ 1,181,830

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable \$ 69,455

NET ASSETS

Unrestricted 713,558

Temporarily restricted 398,817

Total net assets 1,112,375

Total liabilities and net assets

\$ 1,181,830

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENT OF ACTIVITIES
Year ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions	\$ 1,259,023	\$ 155,800	\$ 1,414,823
Special events	521,017	-	521,017
Investment return	54,698	-	54,698
Miscellaneous	98	-	98
	<u>1,834,836</u>	<u>155,800</u>	<u>1,990,636</u>
EXPENSES			
Program services	1,177,999	-	1,177,999
Supporting activities			
Management and general	186,957	-	186,957
Fundraising	461,658	-	461,658
	<u>1,826,614</u>	<u>-</u>	<u>1,826,614</u>
Net assets released from restrictions	<u>364,385</u>	<u>(364,385)</u>	<u>-</u>
Change in net assets	372,607	(208,585)	164,022
Net assets - beginning of year (as restated)	<u>340,951</u>	<u>607,402</u>	<u>948,353</u>
Net assets - end of year	<u><u>\$ 713,558</u></u>	<u><u>\$ 398,817</u></u>	<u><u>\$ 1,112,375</u></u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENT OF CASH FLOWS
Year ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 164,022
Net realized and unrealized gain on investments	50,723
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Increase in liabilities	
Accounts payable	<u>39,407</u>

Net cash flows from operating activities 254,152

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of and interest retained in investments	(374,892)
Proceeds from sale of investments	<u>306,469</u>

Net cash flows from investing activities (68,423)

Change in cash 185,729

Cash - beginning of year 756,279

Cash - end of year \$ 942,008

See accompanying notes.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 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 your 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 Trustees. The Philanthropies are also permitted to execute fundraising programs which also require approval by the Board of Trustees.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

PPF reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions. Temporarily restricted net assets at December 31, 2017 consist of amounts restricted for use of Philanthropists that PPF is the fiscal sponsor for.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by PPF in perpetuity.

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 unrestricted net assets 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 temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

PPF expenses advertising costs as they are incurred. Advertising expense for 2017 totaled \$23,765.

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 October 12, 2018, the date which the financial statements were available to be issued.

NOTE 2—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2017 are as follows:

	Fair Value	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity mutual funds	<u>\$ 239,822</u>	<u>\$ 239,822</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3—INVESTMENTS

Investments at December 31, 2017 consists of equity mutual funds.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3—INVESTMENTS (continued)

Investment return for 2017 consists of the following:

Interest and dividends	\$ 5,411
Net realized and unrealized gains	50,723
Investment fees	<u>(1,436)</u>
Investment return	<u>\$ 54,698</u>

NOTE 4—RELATED PARTY TRANSACTIONS

During the year, members of PPF's board and their immediate families participated in the funds administered by PPF. The trustees' account balance at December 31, 2017 consisted of the following:

Cash	\$ 63,236
Investments	<u>98,158</u>
Total	<u>\$ 161,394</u>

Activity from these accounts for 2017 consisted of the following:

Contributions received	<u>\$ 68,783</u>
Grants awarded	<u>\$ 138,899</u>
Advertsing	<u>\$ 9,598</u>

PPF leases office space from Waverly Management, which is owned by a member of the Board of Trustees. The lease expires in March 2019 requires monthly payments of \$1,000. Rent expense under this agreement totaled \$12,000.

Future minimum payments under this lease agreement total \$12,000 and \$3,000 for 2018 and 2019, respectively.

The Stover Family Foundation was created by a member of the Board. Approximately \$32,000 of funds from the Stover Family Foundation was used to pay program expenses, and management and general expenses for PPF.

PPF's Chief Operating Officer (COO) was named to the Board of Trustees in 2017. The COO was compensated \$37,660 in 2017.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5—RESTATEMENT OF NET ASSETS

In previously issued financial statements PPF did not temporarily restrict \$605,994 of net assets available for various organizations that it acts as the fiscal sponsor for. Accordingly, the amounts reported for unrestricted and temporarily restricted net assets have been restated in the opening balances of the 2017 financial statements now presented. Correcting this error decreased unrestricted net assets and increased temporarily restricted net assets by \$605,994 in the statement of financial position at December 31, 2016. The restatement did not have any effect on the change in net assets for the year ended December 31, 2016.