

PLAYERS **PHILANTHROPY**FUND

FINANCIAL STATEMENTS

December 31, 2020 and 2019

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6

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, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 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, 2020 and 2019, 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.



Wegner CPAs, LLP
Alexandria, Virginia
September 29, 2021

PLAYERS PHILANTHROPY FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 5,432,769	\$ 2,807,654
Prepaid expenses	19,738	-
Total current assets	5,452,507	2,807,654
OTHER ASSETS		
Investments	289,258	217,943
Security deposits	2,390	2,390
Total assets	<u>\$ 5,744,155</u>	<u>\$ 3,027,987</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 3,627	\$ 13,919
Paycheck Protection Program loan	34,485	-
Total current liabilities	38,112	13,919
NET ASSETS		
Without donor restrictions	759,392	993,877
With donor restrictions		
Fiscal Sponsors' Philanthropy	4,946,651	2,020,191
Total net assets	5,706,043	3,014,068
Total liabilities and net assets	<u>\$ 5,744,155</u>	<u>\$ 3,027,987</u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 7,177,626	\$ 3,661,574	\$ 10,839,200	\$ 1,770,778	\$ 1,866,726	\$ 3,637,504
Special events	442,856	-	442,856	2,507,605	-	2,507,605
Less costs of direct benefits to donors	(29,736)	-	(29,736)	(304,379)	-	(304,379)
Special events, net	413,120	-	413,120	2,203,226	-	2,203,226
Investment return, net	42,775	-	42,775	54,852	-	54,852
Miscellaneous	35,899	-	35,899	2,377	-	2,377
Total support and revenue	7,669,420	3,661,574	11,330,994	4,031,233	1,866,726	5,897,959
EXPENSES						
Program services	6,681,029	-	6,681,029	2,617,563	-	2,617,563
Management and general	439,420	-	439,420	485,353	-	485,353
Fundraising	1,518,570	-	1,518,570	1,350,213	-	1,350,213
Total expenses	8,639,019	-	8,639,019	4,453,129	-	4,453,129
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	735,114	(735,114)	-	661,770	(661,770)	-
Change in net assets	(234,485)	2,926,460	2,691,975	239,874	1,204,956	1,444,830
Net assets at beginning of year	993,877	2,020,191	3,014,068	754,003	815,235	1,569,238
Net assets at end of year	<u>\$ 759,392</u>	<u>\$ 4,946,651</u>	<u>\$ 5,706,043</u>	<u>\$ 993,877</u>	<u>\$ 2,020,191</u>	<u>\$ 3,014,068</u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2020 and 2019

<u>2020</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Direct Benefits to Donors</u>	<u>Total</u>
Grants and assistance	\$ 5,381,282	\$ -	\$ -	\$ -	\$ 5,381,282
Event fees	-	-	711,276	29,736	741,012
Professional fees	892,186	240,747	556,693	-	1,689,626
Office expenses	60,760	16,396	37,912	-	115,068
Personnel	287,903	77,688	179,642	-	545,233
Travel	6,022	1,625	3,758	-	11,405
Advertising	-	90,298	-	-	90,298
Occupancy	35,932	9,695	22,419	-	68,046
Insurance	11,010	2,971	6,870	-	20,851
Conferences and meetings	5,934	-	-	-	5,934
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	\$ 6,681,029	\$ 439,420	\$ 1,518,570	\$ -	\$ 8,639,019
<u>2019</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Direct Benefits to Donors</u>	<u>Total</u>
Grants and assistance	\$ 1,874,684	\$ -	\$ -	\$ -	\$ 1,874,684
Event fees	-	-	1,251,681	304,379	1,556,060
Professional fees	542,975	308,036	72,396	-	923,407
Office expenses	19,520	61,488	2,603	-	83,611
Personnel	104,929	20,986	13,990	-	139,905
Travel	30,790	6,158	4,105	-	41,053
Advertising	-	80,529	-	-	80,529
Occupancy	31,675	6,335	4,223	-	42,233
Insurance	9,110	1,821	1,215	-	12,146
Conferences and meetings	3,880	-	-	-	3,880
Total expenses	2,617,563	485,353	1,350,213	304,379	4,757,508
Less expenses included with support and revenue on the statements of activities	-	-	-	(304,379)	(304,379)
Total expenses included in the expenses section of the statements of activities	\$ 2,617,563	\$ 485,353	\$ 1,350,213	\$ -	\$ 4,453,129

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,691,975	\$ 1,444,830
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized loss on investments	42,658	53,630
Increase in assets		
Prepaid expenses	(19,738)	-
Security deposit	-	(2,390)
Increase (decrease) in liabilities		
Accounts payable	(10,292)	(112,168)
Net cash flows from operating activities	<u>2,704,603</u>	<u>1,383,902</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest and dividends retained in investments	(519,070)	(324,271)
Proceeds from sale of investments	405,097	276,004
Net cash flows from investing activities	<u>(113,973)</u>	<u>(48,267)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	34,485	-
Change in cash	<u>2,625,115</u>	<u>1,335,635</u>
Cash at beginning of year	<u>2,807,654</u>	<u>1,472,019</u>
Cash at end of year	<u><u>\$ 5,432,769</u></u>	<u><u>\$ 2,807,654</u></u>

See accompanying notes.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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.

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.

Revenue Recognition

PPF's earned revenue consists primarily of admission tickets to various special events. The admission ticket is generally considered to be a single performance obligation that is satisfied at a point in time and revenue is recognized when the event occurs. It is the policy of PPF to not refund for fees received in connection with the events.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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.

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 29, 2021, the date which the financial statements were available to be issued.

NOTE 2—INVESTMENTS

Investments are comprised of the following:

	<u>2020</u>	<u>2019</u>
Equity mutual funds	\$ 272,301	\$ 164,907
Common stock	16,957	53,036
Investments	<u>\$ 289,258</u>	<u>\$ 217,943</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, 2020 and 2019

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:

	2020	2019
Cash	\$ 41,651	\$ 16,071
Investments	65,819	3,456
Total	\$ 107,470	\$ 19,527

Activity from these accounts consisted of the following:

	2020	2019
Contributions received	\$ 104,336	\$ 141,292
Grants awarded	\$ 83,675	\$ 124,950

PPF leases office space from Waverly Management, which is owned by a member of the Board of Directors. The lease expires in March 2022 requires monthly payments of \$3,449. For the years ended December 31, 2020 and 2019, rent expense under this agreement totaled \$27,980 and \$12,000, respectively.

Future minimum payments under this lease agreement total \$41,391 and \$6,899 for the years ended December 31, 2021 and 2022, respectively.

PPF's Director of Communications & Compliance is also a member of the governing board. For the years ended December 31, 2020 and 2019, the Director of Communications & Compliance was compensated \$49,219 and \$59,025, respectively.

PPF's board treasurer's accounting firm performs bookkeeping services for PPF. For the years ended December 31, 2020 and 2019, accounting fees paid to the Board Treasurer's firm totaled \$10,457 and \$17,666.

NOTE 4—LEASE

In addition to the lease mentioned in Note 3, one of PPF's fiscal sponsors entered into a lease for office space during 2019 under a lease requiring monthly payments of \$1,405, increasing 3% each year, expiring in October 2024. Rent expense under this lease agreement for the years ended December 31, 2020 and 2019 was \$16,941 and \$3,512, respectively.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4—LEASE (continued)

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

2021	\$	58,841
2022		24,872
2023		18,512
2024		15,811

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.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end	\$ 5,722,027	\$ 3,025,597
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(4,946,651)	(2,020,191)
Cash and investments held for long-term purposes	<u>(703,468)</u>	<u>(950,560)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 71,908</u>	<u>\$ 54,846</u>

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, 2020 and 2019 are \$703,468 and \$950,560, 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.

NOTE 6—RISKS AND UNCERTAINTIES

In March 2020, the United States economy began suffering adverse effects from the COVID-19 virus global crisis. In response to the crisis, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. As noted in Note 7, PPF was approved for a loan under the Paycheck Protection program (PPP) and has received preliminary forgiveness, established by the CARES Act. Management is continuously monitoring the situation to appropriately address the impact on the business.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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.