

PLAYERS **PHILANTHROPY**FUND

FINANCIAL STATEMENTS

December 31, 2019 and 2018

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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, 2019 and 2018, 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.

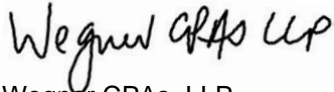
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2019 and 2018, 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 Guidance

As discussed in Note 1 to the financial statements, Players Philanthropy Fund adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all subsequently issued clarifying ASUs and ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of January 1, 2019. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, slightly slanted style.

Wegner CPAs, LLP
Alexandria, Virginia
September 22, 2020

PLAYERS PHILANTHROPY FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,807,654	\$ 1,472,019
OTHER ASSETS		
Investments	217,943	223,304
Security deposits	2,390	-
Total assets	\$ 3,027,987	\$ 1,695,323
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 13,919	\$ 126,085
NET ASSETS		
Without donor restrictions	993,877	754,003
With donor restrictions		
Fiscal Sponsors' Philanthropy	2,020,191	815,235
Total net assets	3,014,068	1,569,238
Total liabilities and net assets	\$ 3,027,987	\$ 1,695,323

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 1,770,778	\$ 1,866,726	\$ 3,637,504	\$ 1,387,460	\$ 734,461	\$ 2,121,921
Special events	2,507,605	-	2,507,605	981,024	-	981,024
Investment return	54,852	-	54,852	39,290	-	39,290
Miscellaneous	2,377	-	2,377	1,532	-	1,532
Total support and revenue	4,335,612	1,866,726	6,202,338	2,409,306	734,461	3,143,767
EXPENSES						
Program services	2,617,563	-	2,617,563	1,787,440	-	1,787,440
Management and general	485,353	-	485,353	235,992	-	235,992
Fundraising	1,654,592	-	1,654,592	663,472	-	663,472
Total expenses	4,757,508	-	4,757,508	2,686,904	-	2,686,904
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	661,770	(661,770)	-	318,043	(318,043)	-
Change in net assets	239,874	1,204,956	1,444,830	40,445	416,418	456,863
Net assets at beginning of year	754,003	815,235	1,569,238	713,558	398,817	1,112,375
Net assets at end of year	\$ 993,877	\$ 2,020,191	\$ 3,014,068	\$ 754,003	\$ 815,235	\$ 1,569,238

See accompanying notes.

PLAYERS PHILANTHROPY FUND
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2019 and 2018

<u>2019</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and assistance	\$ 1,874,684	\$ -	\$ -	\$ 1,874,684
Event fees	-	-	1,556,060	1,556,060
Professional fees	542,975	308,011	72,396	923,382
Office expenses	19,520	61,513	2,603	83,636
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	<u>\$ 2,617,563</u>	<u>\$ 485,353</u>	<u>\$ 1,654,592</u>	<u>\$ 4,757,508</u>
<u>2018</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,444,830	\$ 456,863
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gain on investments	53,630	35,522
Increase in assets		
Security deposit	(2,390)	-
Increase (decrease) in liabilities		
Accounts payable	(112,168)	56,632
Net cash flows from operating activities	1,383,902	549,017
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest and dividends retained in investments	(324,271)	(265,835)
Proceeds from sale of investments	276,004	246,830
Net cash flows from investing activities	(48,267)	(19,005)
Change in cash	1,335,635	530,012
Cash at beginning of year	1,472,019	942,007
Cash at end of year	\$ 2,807,654	\$ 1,472,019

See accompanying notes.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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.

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.

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, 2019 and 2018

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Guidance

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs supersedes the revenue recognition requirements and most industry-specific guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements that will provide users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

PPF adopted the requirements of the new guidance as of January 1, 2019, using the modified retrospective method of transition. In applying the new guidance, PPF elected to use the practical expedient that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019.

PPF's revenue from contracts with customers, which consists of admission tickets to special events, is recognized at a point in time when the event occurs. In addition, PPF's admission tickets do not contain variable consideration and contract modifications are generally minimal.

The adoption of the new guidance did not have a significant impact on PPF's financial statements. Based on PPF's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new guidance.

On June 21, 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions or contributions. The ASU also assists entities in determining whether a contribution is conditional. PPF adopted the requirements of the ASU as of January 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of January 1, 2019, or entered into after that date.

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.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

PPF expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2019 and 2018 totaled \$80,529 and \$24,256, 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 September 22, 2020, the date which the financial statements were available to be issued.

NOTE 2—SUBSEQUENT EVENT

PPF's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on PPF is uncertain; however, it may result in a material adverse impact on PPF's financial position, activities, and cash flows. Possible effects may include, but are not limited to, disruption to PPF's donors and revenue, unavailability of programs, and a decline in value assets held by PPF.

NOTE 3—INVESTMENTS

Investments consist of the following:

	<u>2019</u>	<u>2018</u>
Equity mutual funds	\$ 164,907	\$ 223,304
Common stock	53,036	-
Investments	<u>\$ 217,943</u>	<u>\$ 223,304</u>

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 4—FAIR VALUE MEASUREMENTS

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	
	2019	2018
Equity mutual funds	\$ 164,907	\$ 223,304
Common stock	53,036	-
	\$ 217,943	\$ 223,304

NOTE 5—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:

	2019	2018
Cash	\$ 16,071	\$ 40,771
Investments	3,456	14,674
Total	\$ 19,527	\$ 55,445

Activity from these accounts consisted of the following:

	2019	2018
Contributions received	\$ 141,292	\$ 45,013
Grants awarded	\$ 124,950	\$ 160,010

PPF leases office space from Waverly Management, which is owned by a member of the Board of Directors. The lease expires in March 2021 requires monthly payments of \$1,000. For the years ended December 31, 2019 and 2018, rent expense under this agreement totaled \$12,000 each year.

Future minimum payments under this lease agreement total \$12,000 and \$2,000 for years ended December 31, 2020 and 2021, respectively.

PPF's Director of Communications & Compliance is also a member of the governing board. For the years ended December 31, 2019 and 2018, the Director of Communications & Compliance was compensated \$59,025 and \$36,992, respectively.

PPF's board treasurer's accounting firm performs bookkeeping services for PPF. For the years ended December 31, 2019 and 2018, accounting fees paid to the Board Treasurer's firm totaled \$17,666 and \$12,278.

PLAYERS PHILANTHROPY FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 6—LEASE

In addition to the lease mentioned in note 5, 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 year ended December 31, 2019 was \$3,512.

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

	2020	\$ 16,941
	2021	17,450
	2022	17,973
	2023	18,512
	2024	15,811

NOTE 7—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.

	2019	2018
Financial assets at year-end	\$ 3,025,597	\$ 1,695,323
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(2,020,191)	(815,235)
Cash and investments held for long-term purposes	(950,560)	(826,727)
Financial assets available to meet cash needs for general expenditures within one year	\$ 54,846	\$ 53,361

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, 2019 and 2018 are \$950,560 and \$826,727, 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.