

**PLAY RUGBY, INC.**  
**Financial Statements**  
**For the Year Ended December 31, 2022**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Play Rugby, Inc.

We have reviewed the accompanying financial statements of Play Rugby, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Play Rugby, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Buchbinder Tunick &amp; Company LLP".

BUCHBINDER TUNICK & COMPANY LLP

New York, NY  
November 7, 2023

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One Pennsylvania Plaza, Suite 3200 • New York, NY 10119 • 212.695.5003

— With offices in New Jersey and Maryland —

**PLAY RUGBY, INC.**  
**Statement of Financial Position**  
**December 31, 2022**

**ASSETS**

Assets:	
Cash and cash equivalents	\$ 91,146
Restricted cash	40,000
Unconditional promises to give	50,000
Accounts receivable	20,316
Prepaid expenses	<u>3,389</u>
Total assets	<u>\$ 204,851</u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable and accrued expenses	<u>\$ 27,746</u>
Total liabilities	27,746
Net assets without donor restrictions	<u>177,105</u>
Total liabilities and net assets	<u>\$ 204,851</u>

See independent accountant's review report and notes to financial statements.

**PLAY RUGBY, INC.**  
**Statement of Activities**  
**For the year ended December 31, 2022**

Revenue:	
Contributions	\$ 340,429
Special events	474,796
Less: direct benefit costs	(79,440)
Program service fees	<u>42,268</u>
Total revenue	<u>778,053</u>
Expenses:	
Program services:	
Rugby-based youth development programs	376,444
Supporting activities:	
Management and general	212,345
Fundraising	<u>223,185</u>
Total expenses	<u>811,974</u>
Change in net assets	(33,921)
Net assets without donor restrictions:	
Beginning of year	<u>211,026</u>
End of year	<u><u>\$ 177,105</u></u>

See independent accountant's review report and notes to financial statements.

**PLAY RUGBY, INC.**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2022**

	<u>Total</u>	<u>Program Services</u>	<u>Supporting Activities</u>	
		<u>Rugby-based Youth Development Programs</u>	<u>Management and General</u>	<u>Fundraising</u>
Expenses:				
Salaries and other personnel costs	\$ 482,414	\$ 297,062	\$ 85,306	\$ 100,046
Payroll taxes	32,205	16,036	7,809	8,360
Insurance	15,592	-	15,592	-
Facilities, equipment and training fees	89,426	34,655	54,771	-
Travel and lodging	33,433	27,310	4,744	1,379
Office expenses	49,080	1,249	31,268	16,563
Professional fees	24,822	-	9,822	15,000
Marketing and advertising	8,990	132	3,033	5,825
Fundraising expenses	75,317	-	-	75,317
Interest and bank fees	695	-	-	695
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 811,974</u>	<u>\$ 376,444</u>	<u>\$ 212,345</u>	<u>\$ 223,185</u>

See independent accountant's review report and notes to financial statements.

**PLAY RUGBY, INC.**  
**Statement of Cash Flows**  
**For the year ended December 31, 2022**

Cash flows from operating activities:	
Change in net assets	\$ (33,921)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Changes in operating assets and liabilities:	
Decrease in unconditional promises to give	50,000
(Increase) in accounts receivable	(13,151)
(Decrease) in accounts payable and accrued expenses	<u>(5,137)</u>
Net cash (used in) operating activities	<u>(2,209)</u>
Cash flows from financing activities:	
Repayments of loans payable - related parties	<u>(22,000)</u>
Net cash (used in) financing activities	<u>(22,000)</u>
Net (decrease) in cash and cash equivalents and restricted cash	(24,209)
Cash and cash equivalents and restricted cash:	
Beginning of year	<u>155,355</u>
End of year	<u>\$ 131,146</u>

See independent accountant's review report and notes to financial statements.

**PLAY RUGBY, INC.**  
**Notes to Financial Statements**  
**December 31, 2022**

**Note 1 - Nature of Operations**

Play Rugby, Inc. (the "Organization") (a nonprofit organization) was established in 2002 by national team member Mark Griffin, the former Founder/CEO of the Organization, as a sports-based youth development program that pioneered the design and delivery of curriculum-based non-contact rugby classes to underprivileged children in New York City. The Organization's mission is to develop youth through rugby. The Organization accomplishes this by strengthening youth character, conditioning and academic commitment by integrating the values of rugby into a distinct and inclusive team sports experience.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

The Organization's financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

The Organization's financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. The Organization did not have any net assets with donor restrictions as of December 31, 2022.

**PLAY RUGBY, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2022**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents and Restricted Cash**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Restricted cash represents the required amount the Organization must hold in a savings account to secure a bank line of credit. There were no draw downs on the bank line of credit during 2022.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Allowance for Doubtful Accounts**

The Organization uses the allowance method to account for uncollectible accounts receivable. The allowance for doubtful accounts (the "Allowance") is based on management's analysis of possible bad debts based on historical collection experience and its assessment on the collectability of existing specific accounts. Bad debt recoveries are charged against the Allowance account as realized.

Specific accounts are charged off against the Allowance when management believes that the specific account is not collectible.

**Revenue Recognition**

Revenue and expenses are recorded on an accrual basis. Revenues received for future periods are deferred to the applicable period.

**PLAY RUGBY, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2022**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Contributions**

Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions as applicable. Amounts are reclassified from net assets with donor restrictions to net assets without donor restrictions when restrictions expire by passage of time or the fulfillment of the stipulated purpose.

**Marketing and Advertising**

Marketing and advertising costs are expensed when incurred.

**Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and personnel costs	Time and effort
Payroll taxes	Time and effort
Facilities, equipment and training fees	Purpose of services provided
Travel and lodging	Purpose of services provided
Office expenses	Asset usage
Professional fees	Purpose of services provided
Marketing and advertising	Purpose of services provided

**Income Taxes**

The Organization files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service (“IRS”). At December 31, 2022, the Organization’s Form 990s for the years 2019 through 2022 remain eligible for examination by the IRS.

**PLAY RUGBY, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2022**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Subsequent Events**

The Organization has evaluated subsequent events and transactions through November 7, 2023, the date that the financial statements were available to be issued.

**Note 3 - Risks and Uncertainties**

The Organization maintains its cash balances at a major money center financial institution. Balances fluctuate during the year and may exceed the FDIC insurance limits. The Organization has not experienced any losses in such accounts and management does not anticipate nonperformance by the financial institution.

**Note 4 - Tax Status**

The Organization has been determined by the IRS to be exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (the "IRC") and has been classified as a publicly supported organization as described in Section 509(a)(1) of the IRC.

**Note 5 - Availability and Liquidity**

The following represents the Organization's financial assets at December 31, 2022:

Financial assets at year end:	
Cash and cash equivalents and restricted cash	\$ 131,146
Unconditional promises to give, current	50,000
Accounts receivable	<u>20,316</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 201,462</u>

The Organization's goal is to generally maintain sufficient financial assets to allow it to meet its obligations as they become due.

**PLAY RUGBY, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2022**

**Note 6 - Promises to Give**

At December 31, 2022, promises to give consist of the following:

Amounts due in:

Less than one year	\$ 50,000
One to five years	<u>-</u>
Total unconditional promises to give	<u>\$ 50,000</u>

All promises to give are considered collectable until determined otherwise by management. Management provides for probable uncollectable amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. At year end, any balances that are outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense.