

PLAY RUGBY, INC.
FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

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Focused on the road ahead
Tax, Audit & Advisory

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Play Rugby, Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Play Rugby, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Play Rugby, Inc. as of December 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Play Rugby, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Play Rugby, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Play Rugby, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Play Rugby, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Cg Tax, Audit & Advisory

November 17, 2025
Tinton Falls, New Jersey

PLAY RUGBY, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 61,799	\$ 87,214
Unconditional Promise to Give, net of discount \$1,057 and \$0, respectively	115,938	30,857
Accounts Receivable, net of allowance of \$0 and \$10,000, respectively	-	36,875
Investment	9,607	-
Prepaid Expenses and Other Current Assets	<u>76,170</u>	<u>26,371</u>
Total Current Assets	<u>263,514</u>	<u>181,317</u>
OTHER ASSETS		
Right of Use Assets	94,939	134,570
Unconditional Promise to Give, net of current, net of discount of \$1,058 and \$2,115, respectively	<u>23,942</u>	<u>47,885</u>
Total Other Assets	<u>118,881</u>	<u>182,455</u>
Total Assets	<u><u>\$ 382,395</u></u>	<u><u>\$ 363,772</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 54,030	362
Operating Lease Liabilities	57,319	83,614
Accrued Expenses and Other Current Liabilities	<u>129,164</u>	<u>83,875</u>
Total Current Liabilities	240,513	167,851
LONG-TERM LIABILITIES		
Long-Term Portion of Operating Lease Liabilities	<u>25,611</u>	<u>50,956</u>
Total Liabilities	<u>266,124</u>	<u>218,807</u>
NET ASSETS		
Without Donor Restrictions	91,271	144,965
With Donor Restrictions	<u>25,000</u>	<u>-</u>
Total Net Assets	<u>116,271</u>	<u>144,965</u>
Total Liabilities and Net Assets	<u><u>\$ 382,395</u></u>	<u><u>\$ 363,772</u></u>

See Accompanying Notes and Independent Auditor's Report

PLAY RUGBY, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions of Cash and Other Financial Assets	\$ 531,028	\$ 145,000	\$ 676,028	\$ 603,003	\$ -	\$ 603,003
Special Events	643,566	-	643,566	529,611	-	529,611
Program Service Fees	53,389	-	53,389	51,964	-	51,964
In-Kind Donation	3,000	-	3,000	-	-	-
Unrealized Loss on Investment	(457)	-	(457)	-	-	-
Realized Loss on Investment	(29)	-	(29)	-	-	-
Interest and Dividends	18	-	18	12	-	12
Other Income	16	-	16	-	-	-
Net Assets Released from Restriction						
Satisfaction of Purpose	120,000	(120,000)	-	-	-	-
Total Support and Revenue	<u>1,350,531</u>	<u>25,000</u>	<u>1,375,531</u>	<u>1,184,590</u>	<u>-</u>	<u>1,184,590</u>
OPERATING EXPENSES						
Program Services	691,981	-	691,981	476,586	-	476,586
Management and General	357,831	-	357,831	300,532	-	300,532
Fundraising	<u>454,413</u>	<u>-</u>	<u>454,413</u>	<u>405,067</u>	<u>-</u>	<u>405,067</u>
Total Operating Expenses	<u>1,504,225</u>	<u>-</u>	<u>1,504,225</u>	<u>1,182,185</u>	<u>-</u>	<u>1,182,185</u>
Change in Net Assets	<u>(153,694)</u>	<u>25,000</u>	<u>(128,694)</u>	<u>2,405</u>	<u>-</u>	<u>2,405</u>
Net Assets, Beginning of Year, as originally reported	144,965	-	144,965	142,560	-	142,560
Prior Period Adjustment	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets, Beginning of Year, as restated	<u>244,965</u>	<u>-</u>	<u>244,965</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 91,271</u>	<u>\$ 25,000</u>	<u>\$ 116,271</u>	<u>\$ 144,965</u>	<u>\$ -</u>	<u>\$ 144,965</u>

See Accompanying Notes and Independent Auditor's Report

PLAY RUGBY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2024 and 2023

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and Other Personnel Costs	\$ 511,801	\$ 213,821	\$ 96,000	\$ 821,622	\$ 375,784	\$ 123,778	\$ 102,248	\$ 601,810
Payroll Taxes	31,072	11,949	7,614	50,635	19,754	6,960	8,258	34,972
Insurance	-	14,044	-	14,044	-	20,179	-	20,179
Facilities, Equipment and Training Fees	137,131	16,739	468	154,338	31,537	73,552	3,599	108,688
Travel and Lodging	3,207	1,499	388	5,094	47,702	927	711	49,340
Office Expenses	2,655	38,904	33,639	75,198	394	26,106	317	26,817
Professional Fees	4,478	53,120	-	57,598	1,415	33,071	-	34,486
Marketing and Advertising	-	1,328	1,000	2,328	-	1,901	-	1,901
Fundraising Expenses	1,637	269	315,304	317,210	-	-	273,958	273,958
Bad Debt Expense	-	6,158	-	6,158	-	10,415	-	10,415
Service Fees	-	-	-	-	-	3,643	15,976	19,619
Total Expenses	<u>\$ 691,981</u>	<u>\$ 357,831</u>	<u>\$ 454,413</u>	<u>\$ 1,504,225</u>	<u>\$ 476,586</u>	<u>\$ 300,532</u>	<u>\$ 405,067</u>	<u>\$ 1,182,185</u>

See Accompanying Notes and Independent Auditor's Report

PLAY RUGBY, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (128,694)	\$ 2,405
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Unrealized Loss on Investments	457	-
Realized Loss on Investments	29	-
Bad Debt	6,158	10,415
Non-Cash Lease Amortization Expense	(12,009)	-
Changes in Operating Assets and Liabilities:		
Unconditional Promise to Give	38,864	(28,566)
Accounts Receivable	30,717	(26,974)
Prepaid Expenses and Other Current Assets	(49,799)	(26,371)
Accounts Payable	53,668	(5,803)
Accrued Expenses and Other Current Liabilities	45,287	32,430
Net Cash Provided by (Used in) Operating Activities	<u>(15,322)</u>	<u>(42,464)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(34,797)	-
Sale of Investments	24,704	-
Net Cash Provided by (Used in) Investing Activities	<u>(10,093)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>
Net Decrease in Cash	(25,415)	(42,464)
Cash and Cash Equivalents, Beginning of Year	<u>87,214</u>	<u>129,678</u>
Cash and Cash Equivalents, End of Year	<u>\$ 61,799</u>	<u>\$ 87,214</u>
Cash Paid For:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes and Independent Auditor's Report

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

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, conditioner 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 prepares its financial statements on the accrual method of accounting, recognizing income when earned and expenses when incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – Net assets without donor restrictions represent revenues and expenses related to the operation and management of the Organization primary programs and supporting services and are not subject to donor-imposed restrictions. If funds are raised and set aside by the Board for future use, these are considered net assets without donor restrictions. Donor restricted contributions that are expended for their restricted purpose in the same reporting period as received may be recorded as net assets without donor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by the completion of a stipulated action and/or the passage of time and net assets subject to donor-imposed stipulations that are maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Financial Instruments - Credit Losses

In June 2016, FASB issued Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 significantly changes the impairment model for most financial assets and certain other instruments. ASU 2016-13 will require immediate recognition of estimated credit losses expected to occur over the remaining life of many financial assets, which will generally result in earlier recognition of allowances for credit losses on loans and other financial instruments. ASU 2016-13 is effective for the Company’s fiscal year beginning January 1, 2023 and subsequent interim periods. ASU 2016-13 did not have a material impact on the Company’s financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Play Rugby, Inc. considers all highly liquid investing cash instruments with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains cash balances at various institutions which may exceed federally insured limits. The Federal Deposit Insurance Corporation (“FDIC”) insures these accounts up to \$250,000 per depositor. The Organization historically has not experienced any related cash in bank losses.

Additionally, events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems.

Revenue and Support

Contributions are presented on the statement of activities and changes in net assets in accordance with ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributions Nonfinancial Assets*, presenting contributed financial and nonfinancial assets separately within the financial statements. A contribution is an unconditional transfer of cash or other assets, as well as unconditional promises to give, to an entity or a reduction, settlement, or cancellation of its liabilities in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction accomplished, 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.

Service Fee is recognized as each program occurs. Contributions and service revenue are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value.

Unconditional promises to give due in subsequent years are reflected as long-term promises to give and recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount those amounts. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Company recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Accounts Receivable

Accounts receivable are recorded at their present value. The Organization evaluates its receivables to determine if any portion is uncollectible. The Organization provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of current status of individual accounts. Accounts receivable as of December 31, 2024 and 2023 is presented net of an allowance of doubtful accounts of \$0 and \$10,000, respectively.

Prepaid Expenses

Prepaid expenses are expenses that have been paid in one year but have not yet been fully used or consumed at the end of the accounting period. Prepaid assets are amortized on a straight-line basis, matching the incurred expense to the appropriate service period.

Advertising and Marketing

The Organization expenses the cost of advertising and marketing costs as incurred unless there are material costs that benefit future periods. Advertising and marketing costs charged to operations was \$5,984 and \$1,901 for the years ended December 31, 2024 and 2023, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements contain certain categories of expenses that are attributed to more than one supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are charged to the program based on direct expenditures incurred. Any program, management, and general expenditures not directly chargeable are allocated based on units of services, or time and space studies. Program expenses are those related to client assistance and other activities.

Income Tax Status

Play Rugby, Inc. is an organization described under Section 501 (c) (3) of the Internal Revenue Code (the "Code") and is therefore exempt from federal income taxes under Section 501 (a) of the Code. Play Rugby, Inc. is also exempt under the State of New York. Accordingly, no provision for federal or state income taxes has been presented in the accompanying financial statements. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements.

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status (Continued)

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations; and to identify and evaluate other matters that may be considered tax positions. In addition, the Corporation qualifies for the charitable contribution deduction under Section 170 (b)(1)(A)(vi) and has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509 (a)(1) of the Internal Revenue Code.

Play Rugby, Inc. regularly reviews and evaluates its tax positions taken in previously filed information returns with regards to issues affecting its tax-exempt status, unrelated business income and other related matters.

The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (“UBIT”).

The Organization follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by Management. It has been determined that it is more likely than not that all tax positions previously taken would be sustained upon examination by taxing authorities. As of the report date, the Federal Form 990 and New York filings for the fiscal years ended December 31, 2024 through 2020 are open to examination by the IRS and New York. No returns are currently under examination.

Fair Value of Financial Instruments

The Organization utilizes three levels of inputs to measure the fair value of (a) nonfinancial assets and liabilities that are recognized or disclosed at fair value in the Play Rugby’s financial statements on a recurring basis (at least annually) and (b) all financial assets and liabilities. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The first two inputs are considered observable and the last is considered unobservable. The levels of inputs are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Donated Services and Materials

Donated Materials are recorded as contributions in their estimated fair values at the date of donation. During the years ended December 31, 2024 and 2023, the Organization received materials valued at \$3,000 and \$0, respectively.

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and Materials

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition has not been satisfied.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation on the current year financial statements. The reclass had no impact on Net Assets.

Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover general expenditures. Financial assets in excess of daily cash requirements may be invested in certificates of deposit and other short-term investments, as available. Amounts not available to cover general expenditures include investments with liquidity horizons greater than one year. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 61,799	\$ 87,214
Unconditional Promises to Give, Current Investment	115,938	30,857
Accounts Receivable	9,607	-
Less: Net Assets With Donor Restrictions	-	36,875
	<u>(25,000)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 162,344</u>	<u>\$ 154,946</u>

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE 4 – UNCONDITIONAL PROMISES TO GIVE

At December 31, 2024 and 2023, unconditional promises to give consist of the following:

	2024	2023
Unconditional Promise to Give	\$141,995	\$ 80,857
Less Discount	(2,115)	(2,115)
Unconditional Promise to Give, Net	<u>\$139,880</u>	<u>\$ 78,742</u>
Amounts due in:		
Less Than One Year	\$115,938	\$ 30,857
More Than One Year	23,942	47,885
	<u>\$139,880</u>	<u>\$ 78,742</u>

All promises to give are considered collectible 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. They are reflected at a discount rate of the two year daily treasury rate of 4.23%

NOTE 5 – CONDITIONAL PROMISES TO GIVE

At December 31, 2024 and 2023, conditional promises to give consist of the following:

	2024	2023
Amounts due in:		
Less Than One Year	\$ -	\$ 100,000
One to Five Years	-	-
	<u>\$ -</u>	<u>\$ 100,000</u>

The organization has a conditional promise to give as of December 31, 2023 and this conditional promise to give has not been met as of December 31, 2023.

NOTE 6 – INVESTMENTS

The Organization has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following table present the assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE 6 – INVESTMENTS (Continued)

The following summarizes the valuation of the Organization's investments by the fair value hierarchy levels as of December 31, 2024 and 2023:

	2024	2023
Level 1	\$ 9,607	\$ -
Level 2	-	-
Level 3	-	-
	<u>\$ 9,607</u>	<u>\$ -</u>

Investment income consisted of the following at December 31, 2024 and 2023:

	2024	2023
Interest and Dividends	\$ 8	\$ -
Realized Loss on Investments	(29)	-
Unrealized Loss on Investments	(457)	-
	<u>\$ (478)</u>	<u>\$ -</u>

Investments are recorded at fair market value. Quoted market prices are used to determine market value. Gains and losses on investments are reflected in the statements of activities.

The Organization received donated stocks in 2024 which were recorded at fair market value at the date of donation which was \$34,797. The stocks were subsequently sold for a realized loss of \$29. There were no donated stocks in 2023.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Gray Foundation	\$ 25,000	\$ -
Total Net Assets with Donor Restrictions	<u>\$ 25,000</u>	<u>\$ -</u>

Net assets released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors are as follows for the year ended December 31, 2024 and 2023:

	2024	2023
Patrina Foundation	\$ 15,000	\$ -
DICKS Sporting Goods	5,000	-
RBC	100,000	-
Total Net Assets Released from Donor Restrictions	<u>\$ 120,000</u>	<u>\$ -</u>

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE 8 – LEASES

The Organization has operating leases for a corporate office and two storage leases. These leases have a remaining lease term in excess of one year from December 31, 2023 and expire through December 31, 2026.

Supplemental cash flow information related to leases are as follows as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 86,253	\$ 36,752
Right of use assets obtained in exchange for new operating lease liabilities	30,919	90,172
	<u>2024</u>	<u>2023</u>
Operating lease expense	\$ 74,244	\$ 42,252
	<u>2023</u>	<u>2023</u>
Weighted-average remaining lease term in years for operating leases	1.57 years	1.98 years
Weighted-average discount rate for operating leases	3.24%	3.33%

Supplemental statement of financial position information related to leases as follows as of December 31:

		<u>2024</u>	<u>2023</u>
Classification on the Statement of Financial Position			
Assets			
Right of Use Assets	Operating Lease Right of Use Assets	\$ 94,939	\$ 134,570
Liabilities			
Current Liabilities:			
Operating Lease Liabilities	Operating lease liability	57,319	83,614
Non-current Liabilities:			
Operating Lease Liabilities	Operating lease liability, net of current portion	25,611	50,956

Future minimum lease payments under non-cancellable operating leases (with an initial or remaining lease terms in excess of one year) are as follows:

Year Ending December 31,

2025	\$ 58,732
2026	25,748
2027	-
2028	-
2029	-
Total minimum lease payments	<u>\$ 84,480</u>
Less: present value adjustment	<u>(1,550)</u>
Present value of lease liabilities	<u>\$ 82,930</u>

PLAY RUGBY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE 9 – CONTRIBUTIONS

The Organization received \$3,000 and \$0 of contributions of non-financial assets for the years ended December 31, 2024 and 2023, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS

The Organization requires its board members to make a financial contribution each year as a demonstration of their commitment to the Organization's mission. During the years ended December 31, 2024 and 2023, each board member made a gift of \$5,000 or more, with 100 percent participation. The total amount contributed by board members during the years ended December 31, 2024 and 2023 were \$300,381 and \$215,650, respectively. These contributions are considered related party transactions in accordance with FASB ASC 850, Related Party Disclosures.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was recorded to opening net assets during 2024 in order to correct an error from 2023. During 2024, the Company noted that their December 31, 2023 statement of financial position understated pledge receivables and understated revenue. As a result of this error a prior period adjustment was recorded to opening equity in the amount of \$100,000.