Positive Coaching Alliance

Financial Statements

August 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Positive Coaching Alliance
Mountain View, California

Opinion

We have audited the financial statements of Positive Coaching Alliance (a nonprofit organization), which comprise the statements of financial position as of August 31, 2022 and 2021 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Positive Coaching Alliance as of August 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Positive Coaching Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Positive Coaching Alliance's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 U.S. GAAS 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 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 U.S. GAAS, 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 audit 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 Positive Coaching Alliance'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 Positive Coaching Alliance'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.

BPM LLP

San Jose, California
January 31, 2023

POSITIVE COACHING ALLIANCE

STATEMENTS OF FINANCIAL POSITION

As of August 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,758,809	$ 3,716,635
Promises to give, current, less allowance for uncollectible accounts of $51,215 and $16,000 as of August 31, 2022 and 2021, respectively	1,407,002	471,300
Accounts receivable and miscellaneous receivables, less allowance for doubtful accounts of $114,054 and $20,000 as of August 31, 2022 and 2021, respectively	8,732	239,304
Inventory	1,951	7,487
Prepaid expense and other current assets	119,165	160,674
Total current assets	7,295,659	4,595,400
Fixed assets, net of accumulated depreciation	10,234	25,228
Promises to give, noncurrent	409,166	200,000
Beneficial interest in assets held by others	10,000	10,000
Other assets	13,585	39,463
	$ 7,738,644	$ 4,870,091
LIABILITIES AND NET ASSETS (DEFICIT)		
Current liabilities:		
Accounts payable	$ 261,183	$ 226,615
Refundable advance	500,919	480,417
Deferred revenue	992,907	1,050,994
Accrued liabilities	542,315	397,809
Deferred rent	3,169	18,757
Total current liabilities	2,300,493	2,174,592
Note payable from Paycheck Protection Program, net of current portion	-	1,062,800
Total liabilities	2,300,493	3,237,392
Commitments and contingencies (Note 16)		
Net assets:		
Without donor restrictions	2,991,193	156,087
With donor restrictions	2,446,958	1,476,612
Total net assets	5,438,151	1,632,699
Total liabilities and net assets	$ 7,738,644	$ 4,870,091

POSITIVE COACHING ALLIANCE

STATEMENTS OF ACTIVITIES

For the years ended August 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions of cash and other financial assets	$ 3,923,961	$ 1,137,745	$ 5,061,706	$ 2,985,889	$ 1,870,146	$ 4,856,035
Special events, net of in-kind donated items	1,700,534	-	1,700,534	1,369,853	-	1,369,853
Contributions of nonfinancial assets	422,333	-	422,333	587,007	-	587,007
Fees for workshops	2,095,871	-	2,095,871	1,672,568	-	1,672,568
Other service fees	108,768	-	108,768	161,311	-	161,311
Merchandise sales	1,132	-	1,132	1,222	-	1,222
Other revenue	29,367	-	29,367	13,227	-	13,227
Net assets released from restrictions	1,455,989	(1,455,989)	-	1,213,425	(1,213,425)	-
Total support and revenue	9,737,955	(318,244)	9,419,711	8,004,502	656,721	8,661,223
Expenses:						
Program expenses:						
Partnership engagement and fulfillment	4,553,700	-	4,553,700	4,046,550	-	4,046,550
Program expansion and enhancement	1,397,475	-	1,397,475	1,368,985	-	1,368,985
Community and coach engagement	506,580	-	506,580	-	-	-
Total program services	6,457,755	-	6,457,755	5,415,535	-	5,415,535
Supporting services:						
Fundraising	1,948,496	-	1,948,496	1,216,635	-	1,216,635
Management and general	2,383,145	-	2,383,145	1,396,789	-	1,396,789
Total supporting services	4,331,641	-	4,331,641	2,613,424	-	2,613,424
Cost of direct benefit to donors	178,409	-	178,409	121,383	-	121,383
Total expenses	10,967,805	-	10,967,805	8,150,342	-	8,150,342
Change in net assets from operations	(1,229,850)	(318,244)	(1,548,094)	(145,840)	656,721	510,881
Other changes:						
Gain on forgiveness of Paycheck Protection Program loan	1,062,800	-	1,062,800	1,160,600	-	1,160,600
Total other changes	1,062,800	-	1,062,800	1,160,600	-	1,160,600
Change in net assets before change related to merger of Coaching Corps	(167,050)	(318,244)	(485,294)	1,014,760	656,721	1,671,481
Contribution of net assets acquired in merger of Coaching Corps (Note 17)	3,002,156	1,288,590	4,290,746	-	-	-
Change in net assets	2,835,106	970,346	3,805,452	1,014,760	656,721	1,671,481
Net assets (deficit), beginning of year	156,087	1,476,612	1,632,699	(858,673)	819,891	(38,782)
Net assets, end of year	$ 2,991,193	$ 2,446,958	$ 5,438,151	$ 156,087	$ 1,476,612	$ 1,632,699

POSITIVE COACHING ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2022

	Program Services				Supporting Services				
	Partnership Engagement and Fulfillment	Program Expansion and Enhancement	Community and Coach Engagement	Total Program Services	Fundraising	Management and General	Total Supporting Services	Cost of Direct Benefit to Donors	Total Expenses
Salaries and related expenses	$ 1,737,973	$ 946,293	$ 369,775	$ 3,054,041	$ 1,059,071	$ 1,433,053	$ 2,492,124	$ -	$ 5,546,165
Payroll taxes and employee benefits	383,030	208,552	81,494	673,076	233,407	315,829	549,236	-	1,222,312
Total salaries and related expenses	2,121,003	1,154,845	451,269	3,727,117	1,292,478	1,748,882	3,041,360	-	6,768,477
Administrative fees	118,809	39,667	24,710	183,186	82,093	79,663	161,756	-	344,942
Contract labor	248,436	-	-	248,436	20,612	-	20,612	-	269,048
Cost of goods sold	-	-	-	-	-	10,748	10,748	-	10,748
Depreciation	6,637	2,396	743	9,776	2,198	3,020	5,218	-	14,994
Equipment costs	188,478	19,974	9,379	217,831	154,554	221,010	375,564	-	593,395
Insurance	25,078	9,284	3,615	37,977	8,357	13,499	21,856	-	59,833
Marketing	386,756	1,061	112	387,929	(2,736)	15,934	13,198	39,869	440,996
Occupancy	138,972	33,689	6,850	179,511	156,180	58,072	214,252	-	393,763
Printing and publications	19,747	56	-	19,803	12,148	337	12,485	-	32,288
Professional fees	740,805	122,850	7,902	871,557	102,264	170,576	272,840	-	1,144,397
Postage and shipping	15,892	214	136	16,242	1,843	2,272	4,115	-	20,357
Scholarships and miscellaneous	197,100	4,500	-	201,600	1,430	346	1,776	-	203,376
Supplies	8,776	274	73	9,123	1,699	3,514	5,213	-	14,336
Telephone	23,359	6,027	306	29,692	5,226	10,374	15,600	-	45,292
Travel and entertainment	313,852	2,638	1,485	317,975	110,150	44,898	155,048	138,540	611,563
Total functional expenses	$ 4,553,700	$ 1,397,475	$ 506,580	$ 6,457,755	$ 1,948,496	$ 2,383,145	$ 4,331,641	$ 178,409	$10,967,805

POSITIVE COACHING ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2021

	Program Services			Supporting Services				
	Partnership Engagement and Fulfillment	Program Expansion and Enhancement	Total Program Services	Fundraising	Management and General	Total Supporting Services	Cost of Direct Benefit to Donors	Total Expenses
Salaries	$ 1,713,506	$ 884,839	$ 2,598,345	$ 773,418	$ 1,013,740	$ 1,787,158	$ -	$ 4,385,503
Payroll taxes and employee benefits	151,517	78,241	229,758	68,389	89,640	158,029	-	387,787
Total salaries and related expenses	1,865,023	963,080	2,828,103	841,807	1,103,380	1,945,187	-	4,773,290
Administrative fees	48,258	16,360	64,618	99,152	63,506	162,658	-	227,276
Contract labor	622,087	-	622,087	200	-	200	-	622,287
Cost of goods sold	-	-	-	-	6,742	6,742	-	6,742
Depreciation	10,707	4,073	14,780	2,916	4,600	7,516	-	22,296
Equipment costs	165,175	19,455	184,630	54,415	131,715	186,130	-	370,760
Insurance	15,584	5,929	21,513	4,245	6,695	10,940	-	32,453
Marketing	529,935	295	530,230	36,242	785	37,027	48,623	615,880
Occupancy	130,606	46,865	177,471	91,607	55,007	146,614	-	324,085
Printing and publications	120,544	65	120,609	12,576	35	12,611	-	133,220
Professional fees	410,550	143,261	553,811	36,567	2,894	39,461	-	593,272
Postage and shipping	8,424	271	8,695	5,820	1,909	7,729	-	16,424
Scholarships and miscellaneous	17,250	160,000	177,250	-	(4,071)	(4,071)	-	173,179
Supplies	9,803	76	9,879	1,638	2,665	4,303	-	14,182
Telephone	45,999	6,924	52,923	6,010	17,138	23,148	-	76,071
Travel and entertainment	46,605	2,331	48,936	23,440	3,789	27,229	72,760	148,925
Total functional expenses	$ 4,046,550	$ 1,368,985	$ 5,415,535	$ 1,216,635	$ 1,396,789	$ 2,613,424	$ 121,383	$ 8,150,342

POSITIVE COACHING ALLIANCE

STATEMENTS OF CASH FLOWS

For the years ended August 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets before changes related to merger of Coaching Corps	$ (485,294)	$ 1,671,481
Adjustments to reconcile change in net assets to net cash		
(used in) provided by operating activities:		
Gain on forgiveness of Paycheck Protection Program loan	(1,062,800)	(1,160,600)
Depreciation	14,994	22,296
Bad debt	(107,061)	(77,237)
(Increase) decrease in:		
Promises to give	9,124	(131,674)
Accounts receivable and miscellaneous receivables	332,039	(170,147)
Inventory	5,536	(1,759)
Prepaid expense and other current assets	114,163	4,064
Other assets	25,878	700
Accounts payable	1,079	(31,701)
Deferred revenue	(58,087)	(30,108)
Refundable advance	(179,498)	159,412
Accrued Expenses	(209,471)	(34,397)
Deferred rent	(15,588)	(20,003)
Net cash (used in) provided by operating activities	(1,614,986)	200,327
Cash flows from investing activities:		
Cash acquired in merger of Coaching Corps	3,657,160	-
Purchases of equipment	-	(13,249)
Net cash provided by (used in) investing activities	3,657,160	(13,249)
Cash flows from financing activities:		
Proceeds from notes payable from Paycheck Protection Program	-	1,062,800
Net cash provided by investing activities	-	1,062,800
Net increase in cash and cash equivalents	2,042,174	1,249,878
Cash and cash equivalents, beginning of year	3,716,635	2,466,757
Cash and cash equivalents, end of year	$ 5,758,809	$ 3,716,635

1. Summary of Significant Accounting Policies

Nature of Business

Positive Coaching Alliance ("PCA" or the "Organization") is a nonprofit organization, established in June 1998, whose mission is to be a catalyst for a positive youth sports culture in ALL communities across the United States. PCA imagines a future where all youth can benefit from a positive, inclusive sports culture that develops social and emotional skills, molds character, and prepares them for competition and life.

To increase impact and ensure a positive youth sports experience for all, PCA completed a merger with Coaching Corps, a nonprofit organization, on April 1, 2022. For the period from April 1, 2022 to August 31, 2022, the Organization recorded all transactions of Coaching Corps as part of these financial statements. See Note 17, Merger of Coaching Corps, for additional information. The combined strength of the organization will lead the increasingly important movement to change the culture of youth and high school sports so that every child, regardless of social or economic circumstance, has access to a trained, caring coach.

PCA will accomplish this by:

- Expanding the national pool of high-quality youth sports coaches by training them to incorporate positive youth development and social emotional learning principles into their coaching practices.
- Ensuring that the largest youth sports organizations in the country embrace a positive culture and facilitate a movement to change the youth sports culture in the U.S. to one that encourages high quality coaches and environments that support positive youth development and social emotional learning.
- Utilizing the power of its brand and network to drive sports equity in low-income communities of color through direct community-level work.

Through the following programs, PCA will leverage its collective programming talent and expertise to create the strongest youth sports development solution, working to meet the increasingly complex needs of young people throughout our country by changing the culture of youth sports so that it can help young people become the best versions of themselves, both on and off the field.

Partnership Engagement and Fulfillment

PCA's core Partnership Engagement and Fulfillment program educates and trains the leaders of youth service organizations ("YSO") and schools to change the culture of youth sports. Once a partnership is forged, PCA teams provide continuous support, workshops, and certified trainers to coaches, parents, and students to develop a positive and inclusive youth sports culture.

Program Expansion and Enhancement

PCA continuously advocates to change the culture of youth sports. PCA also pursues programmatic initiatives that focus on expanding and enhancing existing programs or developing new programs that further its mission.

Community and Coach Engagement

PCA's commitment to closing the sports equity gap entails direct community-level work, coach recruitment, and awareness building to provide quality youth sports experiences in all communities.

On December 1, 2020, PCA purchased the assets of Balance Sports Publishing ("BSP") for existing inventory plus the publishing rights for existing contracts for $110,000. PCA will also receive royalty payments from the foreign rights granted to a Swedish publisher.

1. Summary of Significant Accounting Policies, continued

Basis of Accounting

The financial statements of PCA are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, PCA classified its net assets and changes in net assets as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent resources available to support the Organization's operations, including previously restricted donor net assets that became available for use by the Organization in accordance with the intentions of donors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. These include those assets which are subject to a contributor's restriction and for which the applicable restriction was not yet satisfied as of the end of the current reporting period. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash equivalents consist of money market funds with original maturities of 30 days or less.

Financial instruments that potentially subject PCA to credit risk in excess of insured limits consist principally of cash and money market mutual funds. Cash is insured by Federal Deposit Insurance Corporation ("FDIC") for up to $250,000 per financial institution. Brokerage accounts are insured by the Security Investor Protection Corporation for up to $500,000. Periodically throughout the year, cash is maintained at the bank in excess of the insured (FDIC) amount.

Promises to Give

Promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give that extend beyond one year are discounted to reflect their net present value at the date of contribution. For the years ended August 31, 2022 and 2021, the discount on promises to give was not recorded, as it was insignificant to the financial statements.

As of August 31, 2022, there were two donors who accounted for 55% and 11% of promises to give. As of August 31, 2021, there were four donors who accounted for 45%, 15%, 15% and 15% of promises to give.

Allowance for Uncollectible and Doubtful Accounts – Promises to Give

PCA provides for an allowance for uncollectible accounts for promises to give. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of participants to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is PCA's policy to charge off uncollectible promises to give when management determines the receivable will not be collected. The total allowance was $51,215 and $16,000 for the years ended August 31, 2022 and 2021, respectively.

1. Summary of Significant Accounting Policies, continued

Allowance for Uncollectible and Doubtful Accounts – Accounts Receivable

PCA records an allowance for uncollectible and doubtful accounts receivable. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of participants to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with their contractual terms. It is PCA's policy to charge off uncollectible promises to give when management determines the receivable will not be collected. The total allowance was $114,054 and $20,000 for the years ended August 31, 2022 and 2021, respectively.

Inventory

Inventory consists primarily of Honor The Game banners relating to PCA's mission. It is stated at the lower of cost, determined on the average cost basis, or net realizable value.

Fixed Assets

PCA capitalizes all property and equipment purchases in excess of $5,000. Property and equipment are stated at cost or at fair value on the date of receipt in the case of donated property. Depreciation is computed using the straight-line method over the estimated useful lives of the equipment, which range from three to five years. The cost of maintenance and repairs are expensed as incurred.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. PCA classifies its financial assets and liabilities according to the following hierarchy, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value:

Level 1 – Valuation inputs are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2 – Valuation inputs are obtained from readily-available pricing sources for comparable instruments.

Level 3 – Valuation inputs are obtained without observable market values and require a high level of judgment to determine the fair value.

Beneficial Interest

In connection with an establishment of the endowment fund at The Community Foundation of Tampa Bay ("CFTB"), PCA transferred the endowment fund assets to CFTB to manage as investments and specified itself as the beneficiary. Thus, PCA has a beneficial interest in such endowment fund assets.

A beneficial interest is defined as a future economic benefit of anticipated future cash flows. PCA has a beneficial interest in the endowment fund assets of CFTB. The CFTB measures its beneficial interest at fair value on a recurring basis at each financial statement date; accordingly, PCA reports its beneficial interest in the CFTB endowment fund assets in the statement of financial position and reports a change in its beneficial interest in the statement of activities.

1. Summary of Significant Accounting Policies, continued

Contributions

Contribution revenue is recognized when contributions are received. All contributions are considered available for general operations unless specifically restricted by the donor. PCA reports contributions with donor restrictions if such contributions are received with donor stipulations that limit the time or use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

For the year ended August 31, 2022, there was one donor who accounted for 11% of contribution revenue. For the year ended August 31, 2021, there were no donors who accounted for more than 10% of contribution revenue.

Conditional Contributions

PCA has received certain conditional promises that are generally restricted by donors, primarily for seed funding for a specific region, achieving a match goal, or providing programming to a certain demographic. These award amounts are not recognized as revenue until the projects progress and conditions are met, generally, as expenses are incurred or upon satisfaction of the time and/or purpose restrictions (see Note 4).

Refundable Advances

PCA received payments during the year in the form of conditional contributions. As of August 31, 2022 and 2021, the refundable advances balance represents advanced payments received from donors for which the conditions were not yet met as of August 31, 2022 and 2021. These amounts will be recognized when the conditions are met (see Note 6).

Contributed Materials and Services

Contributed materials and services (in-kind contributions) are recorded at the fair value of materials and services provided and have been included in revenue and expense or assets, depending on their nature. The donation of services is recorded if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. These amounts have been reported as both in-kind contribution revenue and expense on the statements of activities.

Revenue Recognition

Program Service Fees

The Organization recognizes revenue when services are provided to customers in an amount that reflects the consideration to which the Organization expects to be entitled to in exchange for the services.

1. **Summary of Significant Accounting Policies**, continued

Revenue Recognition, continued

Program Service Fees, continued

The Organization determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied.

Program service fees include online workshops, local and national partnerships, consulting fees, and participant fees. Online workshops, local and national partnerships, and participant fees only include one performance obligation that is satisfied simultaneously as customer receive the services at a point in time. Consulting fees are recognized over the period of the contract term.

The Organization's contracts do not include highly variable components. The timing of revenue recognition, billings and cash collections can result in billed accounts receivable, unbilled receivables (contract assets), and refundable advances (contract liabilities).

The following table summarizes the revenue from contracts with customers recognized by the Organization, disaggregated by timing of revenue recognition, for the years ended August 31:

	2022	2021
Products and services transferred over time	$ 108,768	$ 161,311
Products and services transferred at a point in time	2,095,871	1,672,568
Total program service revenue	$ 2,204,639	$ 1,833,879

Income Taxes

PCA has been granted tax-exempt status from federal and California taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d), respectively. Accordingly, no provision for income taxes has been included in the accompanying financial statements. However, income from activities not related to PCA's tax-exempt purposes may be subject to taxation as unrelated business income.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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. Accordingly, actual results could differ from those estimates.

1. Summary of Significant Accounting Policies, continued

Measure of Operations

The Organization includes in its measure of operations all revenue and expenses that are an integral part of its programs and supporting activities. The measure of operations does not include proceeds from the forgiven debt, or the net assets received related to the merger with Coaching Corps.

Functional Expense Allocation

The costs of providing PCA's program and other activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents natural classification detail of expenses by function. The major functional expense classifications are program services and supporting services. Program services include expenses that are directly related to transforming the culture of youth sports to give all young athletes the opportunity for a positive, character-building experience. Supporting services are all activities of the Organization other than program services. Supporting services consist of management and general and fundraising. Management and general includes expenses for general oversight and management of the Organization, recordkeeping, and budgeting. Fundraising activities include conducting events, preparing and distributing fundraising materials, and solicitation of contributions from individuals and corporations.

Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits and payroll taxes; occupancy; depreciation; insurance; and certain travel and indirect operating expenses. These expenses are allocated on the basis of estimated time and effort by employees.

Change in Accounting Principle

On September 1, 2021, the Organization adopted the requirements of the Financial Accounting Standard Board ("FASB") Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* ("ASU 2020-07"), using the retrospective approach. ASU 2020-07 requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The adoption of ASU 2020-07 had no significant impact to PCA's financial statements as of and for the year ended August 31, 2022.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). ASU 2016-02 requires lessees to recognize a right-of-use asset and lease liability for virtually all leases (other than leases that meet the definition of a short-term lease). ASU 2016-02 was originally effective for years beginning after December 15, 2020. However, in June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which extended the effective date for ASU 2016-02 until years beginning after December 15, 2021. PCA is currently evaluating the impact of ASU 2016-02 on its financial statements.

2. Financial Results and Liquidity

The accompanying financial statements have been prepared in conformity with U.S. GAAP. PCA's statement of activities shows changes in net assets from operations of $(1,548,094) and $510,881 and total change in net assets of $3,805,452 and $1,671,481 for the years ended August 31, 2022 and 2021, respectively. Additionally, PCA has net assets without donor restrictions of $2,991,193 and $156,087 as of August 31, 2022 and 2021, respectively. PCA statement of cash flows also show net cash used in operations was $1,614,986 for August 31, 2022 and provided by operating activities was $200,327 for August 31, 2021. PCA is dependent on contributions from third-party donors as well as earned revenues to fund their operations. The ability to continue as a going concern anticipates that such funding will continue for a period of one year or more. PCA management intends to mitigate the liquidity concerns mentioned above by instituting cost containment measures and enhancing its outreach to donors during fiscal years 2023 and 2024.

PCA manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. PCA also has a $500,000 line of credit available for liquidity needs (see Note 8).

PCA's financial assets available for general expenditures within one year of the statement of financial position date are as follows as of August 31:

	2022	2021
Cash and cash equivalents	$ 5,758,809	$ 3,716,635
Promises to give, net	1,816,168	671,300
Accounts receivable and miscellaneous receivables, net	8,732	239,304
Total financial assets available within one year	7,583,709	4,627,239
Less: amounts not available to be used within one year:		
Promises to give, noncurrent	(409,166)	(200,000)
Financial assets available to meet general expenditures within one year	$ 7,174,543	$ 4,427,239

3. Promises to Give

Promises to give are expected to be collected as follows as of August 31:

	2022	2021
Within one year	$ 1,458,217	$ 487,300
Within two to five years	365,833	200,000
More than five years	43,333	-
	1,867,383	687,300
Less: allowance	(51,215)	(16,000)
	$ 1,816,168	$ 671,300

4. Conditional Promises to Give

PCA does not recognize conditional promises to give as revenue until the conditions on which they depend are substantially met.

Outstanding conditional promises to give were as follows for the years ended August 31:

2022

Grantor	Total Award	Term	Condition	Remaining Conditional Portion
Miami Dolphins	$ 75,000	N/A	Seed funding for South Florida Chapter	$ 50,000
Susan Crown Exchange	$1,400,000	January 1, 2020 - December 31, 2023	Million Coaches Challenge	200,000
Susan Crown Exchange	$ 600,000	July 1, 2021 - June 30, 2024	Million Coaches Challenge	400,000
				$ 650,000

2021

Grantor	Total Award	Term	Condition	Remaining Conditional Portion
Miami Dolphins	$ 75,000	N/A	Seed funding for South Florida Chapter	$ 50,000
Morgan Family Foundation	$ 150,000	N/A	Pledge based on achieving match goal	50,000
Under Armour	$ 200,000	April 1, 2021 - June 30, 2022	Performance based goals	100,000
Susan Crown Exchange	$1,400,000	January 1, 2020 - December 31, 2023	Million Coaches Challenge	600,000
				$ 800,000

5. Fixed Assets

Fixed assets consisted of the following as of August 31:

	2022	2021
Computer equipment	$ -	$ 377,234
Software	-	321,089
Office equipment	-	71,652
Leasehold improvements	-	9,781
Website design	25,681	446,757
	25,681	1,226,513
Less: accumulated depreciation	(15,447)	(1,201,285)
	$ 10,234	$ 25,228

Depreciation expense was $14,994 and $22,296 for the years ended August 31, 2022 and 2021, respectively.

6. Refundable Advance

Refundable advances received by PCA that have not been recognized because the required conditions have not yet been met, consisted of the following as of August 31:

	2022	2021
Susan Crown Exchange	$ 166,669	$ 166,667
Daniels Fund	161,250	-
Under Armour	100,000	99,000
David Weekley	-	150,000
Rexona + Beyond Sport	51,415	-
Nike Inc	10,000	10,000
Laureus Foundation	10,585	37,000
Tampa Bay Lightning	-	16,750
A Glimmer of Hope	1,000	1,000
Total refundable advance	$ 500,919	$ 480,417

7. Deferred Revenue

PCA recognizes revenue from partner workshops at a point in time in which the workshop occurs. The performance obligation of delivering the workshop is simultaneously received and consumed by the partner once the workshop has occurred. Fees received in advance of the workshop date are recorded as deferred revenue. As of August 31, 2022 and 2021, PCA entered into contracts totaling approximately $768,000 and $806,000, respectively, where services will be performed and payments will be received in subsequent periods. These contracts were reversed out of deferred revenue and accounts receivable for presentation in these statements.

7. Deferred Revenue, continued

The following table provides information about significant changes in deferred revenue liabilities for the year ended August 31:

	2022	2021
Deferred revenue, beginning of year	$ 1,050,994	$ 1,081,102
Add: Increase in deferred revenue due to cash received during the year	1,868,334	1,504,505
Less: Deferred revenue recognized during the year	(1,926,421)	(1,534,613)
Deferred revenue, end of year	$ 992,907	$ 1,050,994

8. Line of Credit

PCA has a secured line of credit with a bank of $500,000 with an interest rate of 5.50% and maturity of May 4, 2023. There were no borrowings on the line of credit as of August 31, 2022 and 2021. PCA was in compliance with applicable loan covenants for years ended August 31, 2022 and 2021.

9. Notes Payable from Paycheck Protection Program

On April 16, 2020, the PCA received their first loan proceeds in the amount of $1,160,600 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, and rent and utilities, and maintains its payroll levels. PCA received formal forgiveness of the full amount of the first PPP loan on July 21, 2021, at which time the debt was removed and gain on debt forgiveness was recorded.

On March 15, 2021, PCA received a second PPP loan in the amount of $1,062,800 with the same terms and conditions as the first loan. On October 27, 2021, PCA applied for full forgiveness of the second loan. PCA received formal forgiveness of the full amount of the second PPP loan on November 2, 2021, at which time the debt was removed and gain on debt forgiveness was recorded.

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes for the years ended August 31:

	2022	2021
Subject to expenditure for specified purpose:		
Expansion	$ 150,000	$ 330,000
Workshops	825,571	852,139
Operations and other programming	1,461,387	284,473
Beneficial interest held in perpetuity	10,000	10,000
Total	$ 2,446,958	$ 1,476,612

10. Net Assets With Donor Restrictions, continued

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or passage of events specified by the donors were as follows for the years ended August 31:

	2022	2021
Satisfaction of purpose restrictions:		
Expansion	$ 180,000	$ 245,943
Workshops	686,868	449,411
Operations and other programming	589,121	518,071
	$ 1,455,989	$ 1,213,425

11. Contributed Nonfinancial Assets

Contributed nonfinancial assets were as follows for the years ended August 31:

	2022	2021
Promotional and special event items	$ 68,408	$ 106,301
Online advertising services	345,525	470,968
Professional services	8,400	9,738
Total nonfinancial assets	$ 422,333	$ 587,007

PCA recognized contributed nonfinancial assets within revenue, including contributed promotional and special event items, online advertising services, and other professional services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The contributed nonfinancial assets were used to help communicate PCA's mission by promoting PCA's advertising efforts in public online searches, and are included in the program marketing functional expense allocation. The contributed nonfinancial assets are reported at fair value based on the value that the professional services would be paid for or the invoices provided from the advertising service for the services rendered.

12. Fair Value Measurement

The following tables summarize PCA's financial assets measured at fair value on a recurring basis as of August 31, 2022 and 2021:

	2022			
	Level 1	Level 2	Level 3	Total
Cash equivalents - money market	$ 526,674	$ -	$ -	$ 526,674
Beneficial interest in assets held by others	-	10,000	-	10,000
Total	$ 526,674	$ 10,000	$ -	$ 536,674

12. Fair Value Measurement, continued

	2021			
	Level 1	Level 2	Level 3	Total
Cash equivalents - money market	$ 526,660	$ -	$ -	$ 526,660
Beneficial interest in assets held by others	-	10,000	-	10,000
Total	$ 526,660	$ 10,000	$ -	$ 536,660

13. Special Events

PCA sponsors special events for fund-raising and program participant recognition. Revenue and direct expenses relating to these events are as follows for the years ended August 31, 2022 and 2021:

	For the Year Ended August 31, 2022				
Special Events	Revenue	Cost of Direct Benefit to Donors	Other Direct Expenses	In-Kind Donated Items Donors	Net
National	$ 795,386	$ (42,000)	$ (335,415)	$ -	$ 417,971
Arizona	38,100	(8,560)	(6,287)	-	23,253
Central Texas	31,840	(7,564)	(15,307)	-	8,969
Chicago	70,170	(8,600)	(12,919)	(3,918)	44,733
Colorado	95,010	(4,410)	(9,504)	(9,519)	71,577
Minnesota	44,926	(12,370)	(12,322)	(3,251)	16,983
New England	233,456	(33,350)	(49,814)	(19,120)	131,172
Ohio Valley	5,195	(1,400)	(1,188)	-	2,607
Portland	36,400	(10,080)	(13,523)	-	12,797
Seattle	55,550	(13,200)	(8,695)	-	33,655
SF Bay Area	107,350	(30,375)	193	-	77,168
Tampa Bay	234,280	(4,400)	(43,996)	(29,181)	156,703
Mid-Atlantic	18,100	(2,100)	(12,597)	(240)	3,163
	$ 1,765,763	$ (178,409)	$ (521,374)	$ (65,229)	$ 1,000,751

13. Special Events, continued

	For the Year Ended August 31, 2021				
Special Events	Revenue	Cost of Direct Benefit to Donors	Other Direct Expenses	In-Kind Donated Items Donors	Net
NYSA Dinner	$ 763,397	$ -	$ (139,304)	$ (200)	$ 623,893
Arizona	56,288	(12,328)	(15,570)	(15,788)	12,602
Central Texas	36,287	(4,250)	(4,705)	(1,400)	25,932
Chicago	14,273	-	(354)	-	13,919
Minnesota	36,615	(3,825)	(10,352)	(6,352)	16,086
New England	125,895	(9,480)	(38,210)	(7,187)	71,018
Portland	48,938	(21,600)	(9,525)	(10,688)	7,125
Seattle	94,211	(36,000)	(1,584)	(10,561)	46,066
SF Bay Area	117,995	(33,900)	(8,607)	(13,545)	61,943
Tampa Bay	143,765	-	(12,051)	(2,090)	129,624
Total events	$ 1,437,664	$ (121,383)	$ (240,262)	$ (67,811)	$ 1,008,208

14. Scholarships

During the years ended August 31, 2022 and 2021, PCA identified 108 and 122 winners, respectively, of the Triple-Impact Competitor® scholarships award for $136,000 and $150,750, respectively. PCA paid the scholarships during the summer of 2022 and 2021, respectively; therefore, no scholarships were included in accrued liabilities as of August 31, 2022 and 2021.

15. Employee Benefit Plan

PCA sponsors a Section 403(b) salary reduction plan (the “Plan”) covering substantially all employees. Participation in the Plan is at the employees’ discretion. Effective April 1, 2022, PCA offers a matching contribution of up to 7% but limited to no more than 3% of total employee contribution to the 403(b) or 401(k) Plan. Total match was approximately $138,000 and $0 for fiscal year August 31, 2022 and 2021, respectively.

16. Commitments and Contingencies

Lease

PCA leased office space expiring between February 28, 2023 and June 30, 2024. Future minimum lease payments under these leases are as follows:

Year ending August 31:	
2023	$ 102,062
2024	37,935
	$ 139,997

Rental expense was $224,479 and $260,760 for the years ended August 31, 2022 and 2021, respectively.

16. Commitments and Contingencies, continued

COVID-19 Pandemic

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. As a result of COVID-19, the Organization decreased the number of workshops held, resulting in an increase in deferred revenue, extension of customer payments, and an increased allowance for uncollectible accounts receivable (see Note 1). It is not possible for the Organization to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on its operations and financial results at this time. As part of the governmental relief provided by the CARES Act, PCA received an Employee Retention Credit for employee payroll taxes in the amount of $342,078, for which $114,930 was recorded as other assets as of August 31, 2021. All credits were applied and received by August 31, 2022.

Legal Contingencies

The Organization is involved in various legal actions in the ordinary course of business. In the opinion of management, the outcome of these matters, individually or in the aggregate, would not have a material effect on the Organization's financial statements as of August 31, 2022.

17. Merger with Coaching Corps

On April 1, 2022, PCA entered into a merger agreement with Coaching Corps, a nonprofit organization, as part of furthering both organizations' missions to create a world where every young person, regardless of social or economic circumstance, benefits from a positive youth sports experience and a coach who inspires them to become the best version of themselves.

The Agreement of Merger identifies that the Merging Corporation merged with and into the Surviving Corporation, with PCA as the "Surviving Corporation" and Coaching Corps as the "Disappearing Corporation." All Coaching Corps assets were transferred to PCA and PCA assumed all Coaching Corps liabilities as of the date of the merger. PCA's Articles of Incorporation and Bylaws as the surviving corporation were amended to reflect the combined governance structure as a result of the merger.

Because the operations of the merged entity are expected to be predominantly supported by contributions, PCA has recognized the assets and liabilities of the merging entity Coaching Corps on its statements of financial position, in accordance with ASC 958-805-25-1, Business Combinations. These financial statements reflect five months of statement of activities transactions for Coaching Corps for the period from April 1, 2022 to August 31, 2022. On the date of the merger April 1, 2022, the net identifiable assets of Coaching Corps were $4,290,746. The breakdown of net assets acquired as of April 1, 2022 was as follows:

Cash and cash equivalents	$	3,657,160
Promises to give, net		1,148,398
Prepaid expenses and other current assets		72,654
Accounts payable		(33,489)
Accrued liabilities		(353,977)
Refundable advance		(200,000)
Net assets acquired	$	4,290,746
Net assets without donor restrictions	$	3,002,156
Net assets with donor restrictions		1,288,590
Total net assets acquired	$	4,290,746

18. Major Funding Source and Related Parties

For the years ended August 31, 2022 and 2021, the Organization had no funding sources that provided 10% or more of total contributions. Of total contributions, $1,081,812 and $539,000 came from members of the Board of Directors and, as such, are considered to be related-party transactions for the years ended August 31, 2022 and 2021, respectively.

19. Subsequent Events

PCA evaluated subsequent events for recognition and disclosure through January 31, 2023, the date which these financial statements were available to be issued. Management has concluded that no material subsequent events have occurred since August 31, 2022 that require recognition or disclosure in these financial statements.