Positive Coaching Alliance

Financial Statements

August 31, 2021 and 2020

BPM

POSITIVE COACHING ALLIANCE

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BPM

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Positive Coaching Alliance (a nonprofit organization), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Positive Coaching Alliance as of August 31, 2021 and 2020, 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.

BPM LLP

San Jose, California
December 10, 2021

POSITIVE COACHING ALLIANCE

STATEMENTS OF FINANCIAL POSITION

As of August 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,716,635	$ 2,466,757
Promises to give, current, less $16,000 allowance for uncollectible accounts for August 31, 2021 and 2020	471,300	454,027
Accounts receivable and miscellaneous receivables, less $20,000 allowance for doubtful accounts for August 31, 2021 and 2020	239,304	45,519
Inventory	7,487	5,728
Prepaid expense and other current assets	160,674	164,738
Total current assets	4,595,400	3,136,769
Fixed assets, net of accumulated depreciation	25,228	34,275
Promises to give, noncurrent	200,000	32,000
Beneficial interest in assets held by others	10,000	10,000
Other assets	39,463	40,163
	$ 4,870,091	$ 3,253,207
LIABILITIES AND NET ASSETS (DEFICIT)		
Current liabilities:		
Accounts payable	$ 226,615	$ 258,316
Refundable advance	480,417	321,005
Deferred revenue	1,050,994	1,081,102
Accrued liabilities	397,809	432,206
Note payable from Paycheck Protection Program, current portion	-	644,778
Deferred rent	18,757	38,760
Total current liabilities	2,174,592	2,776,167
Note payable from Paycheck Protection Program, net of current portion	1,062,800	515,822
Total liabilities	3,237,392	3,291,989
Commitments and contingencies (Note 16)		
Net assets (deficit):		
Without donor restrictions	156,087	(858,673)
With donor restrictions	1,476,612	819,891
Total net assets (deficit)	1,632,699	(38,782)
Total liabilities and net assets	$ 4,870,091	$ 3,253,207

Positive Coaching Alliance

Statements of Activities

For the years ended August 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	$ 2,985,889	$ 1,870,146	$ 4,856,035	$ 4,114,163	$ 660,660	$ 4,774,823
Special events, net of in-kind donated items	1,369,853	-	1,369,853	795,979	-	795,979
In-kind revenue	587,007	-	587,007	525,554	-	525,554
Fees for workshops	1,672,568	-	1,672,568	1,789,955	-	1,789,955
Other service fees	161,311	-	161,311	139,556	-	139,556
Merchandise sales	1,222	-	1,222	1,028	-	1,028
Other revenue	13,227	-	13,227	7,904	-	7,904
Net assets released from restrictions	1,213,425	(1,213,425)	-	1,162,281	(1,162,281)	-
Total support and revenue	8,004,502	656,721	8,661,223	8,536,420	(501,621)	8,034,799
Expenses:						
Program expenses:						
Partnership engagement and fulfillment	4,046,550	-	4,046,550	3,758,817	-	3,758,817
Program expansion and enhancement	1,368,985		1,368,985	1,949,423	-	1,949,423
Total program services	5,415,535	-	5,415,535	5,708,240	-	5,708,240
Supporting services:						
Fundraising	1,216,635	-	1,216,635	1,736,338	-	1,736,338
Management and general	1,396,789	-	1,396,789	2,626,809	-	2,626,809
Total supporting services	2,613,424	-	2,613,424	4,363,147	-	4,363,147
Cost of direct benefit to donors	121,383	-	121,383	99,979	-	99,979
Total expenses	8,150,342	-	8,150,342	10,171,366	-	10,171,366
Change in net assets from operations	(145,840)	656,721	510,881	(1,634,946)	(501,621)	(2,136,567)
Other changes:						
Gain on forgiveness of Paycheck Protection Program loan	1,160,600	-	1,160,600	-	-	-
Total other changes	1,160,600	-	1,160,600	-	-	-
Change in net assets	1,014,760	656,721	1,671,481	(1,634,946)	(501,621)	(2,136,567)
Net assets (deficit), beginning of year	(858,673)	819,891	(38,782)	776,273	1,321,512	2,097,785
Net assets (deficit), end of year	$ 156,087	$ 1,476,612	$ 1,632,699	$ (858,673)	$ 819,891	$ (38,782)

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

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2020

	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	$ 1,377,021	$ 1,298,436	$ 2,675,457	$ 988,779	$ 1,735,840	$ 2,724,619	$ -	$ 5,400,076
Payroll taxes and employee benefits	249,231	236,316	485,547	179,958	314,534	494,492	-	980,039
Total salaries and related expenses	1,626,252	1,534,752	3,161,004	1,168,737	2,050,374	3,219,111	-	6,380,115
Administrative fees	86,482	23,051	109,533	152,188	90,207	242,395	-	351,928
Contract labor	523,753	-	523,753	15,164	6,800	21,964	-	545,717
Cost of goods sold	336	-	336	-	10,771	10,771	-	11,107
Depreciation	32,582	5,761	38,343	4,696	9,193	13,889	-	52,232
Equipment costs	153,404	19,161	172,565	32,247	133,976	166,223	-	338,788
Insurance	16,342	8,890	25,232	7,247	14,486	21,733	-	46,965
Marketing	433,768	(10)	433,758	77,774	2,421	80,195	-	513,953
Occupancy	131,248	63,978	195,226	73,011	107,213	180,224	-	375,450
Postage and shipping	19,930	299	20,229	2,360	3,767	6,127	-	26,356
Printing and publications	94,302	66	94,368	5,612	13,837	19,449	-	113,817
Professional fees	359,311	84,468	443,779	183,785	77,807	261,592	-	705,371
Scholarships and miscellaneous	-	199,536	199,536	-	313	313	-	199,849
Supplies	8,285	407	8,692	1,786	4,332	6,118	-	14,810
Telephone	43,178	7,755	50,933	7,390	23,003	30,393	-	81,326
Travel and entertainment	229,644	1,309	230,953	4,342	78,308	82,650	99,979	413,582
Total functional expenses	$ 3,758,817	$ 1,949,423	$ 5,708,240	$ 1,736,339	$ 2,626,808	$ 4,363,147	$ 99,979	$ 10,171,366

POSITIVE COACHING ALLIANCE

STATEMENTS OF CASH FLOWS

For the years ended August 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 1,671,481	$ (2,136,567)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on forgiveness of Paycheck Protection Program loan	(1,160,600)	-
Depreciation	22,296	52,232
Bad debt	(77,237)	(151,742)
Loss on sale of equipment	-	1,410
(Increase) decrease in:		
Promises to give	(131,674)	816,249
Accounts receivable and miscellaneous receivables	(170,147)	335,923
Inventory	(1,759)	588
Prepaid expense and other current assets	4,064	(27,804)
Other assets	700	1,834
Accounts payable	(31,701)	(92,366)
Deferred revenue	(30,108)	15,271
Refundable advance	159,412	85,005
Accrued Expenses	(34,397)	(63,519)
Deferred rent	(20,003)	(9,573)
Net cash provided by (used in) operating activities	200,327	(1,173,059)
Cash flows from investing activities:		
Purchases of equipment	(13,249)	(12,432)
Net cash used in investing activities	(13,249)	(12,432)
Cash flows from financing activities:		
Proceeds from notes payable from Paycheck Protection Program	1,062,800	1,160,600
Net cash provided by investing activities	1,062,800	1,160,600
Net increase (decrease) in cash and cash equivalents	1,249,878	(24,891)
Cash and cash equivalents, beginning of year	2,466,757	2,491,648
Cash and cash equivalents, end of year	$ 3,716,635	$ 2,466,757

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. PCA will accomplish this by:

- Replacing the "Win-At-All-Cost" model of coaching with the "Double-Goal Coach®" who wants to win, but has a second, more important goal of using sports to teach life lessons;
- Teaching Youth Sports Organizations ("YSO") and school leaders how to create an organizational culture in which "Honoring the Game" is the norm; and
- Sparking and fueling a "social movement" of Positive Coaching that will sweep this country.

Through the following two programs, PCA assists the participants in learning ways to transform the culture of youth sports and to provide youth with an opportunity to have a positive and character-building sports experience.

Partnership Engagement and Fulfillment

PCA's core Partnership Engagement and Fulfillment program educates and trains the leaders of YSOs and schools to transform youth sports. Once a partnership is forged, PCA teams provide continuous support, workshops and certified trainers to coaches, parents, and students to develop an Honoring the Game organizational culture.

Program Expansion and Enhancement

PCA continuously advocates for transforming youth sports. PCA also pursues programmatic initiatives that focus on expanding and enhancing existing programs or developing new programs that further its mission.

On December 1, 2020, PCA purchased of 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.

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.

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

Basis of Presentation, continued

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, 2021 and 2020, the discount on promises to give was not recorded, as it was insignificant to the financial statements.

As of August 31, 2021, there were four donors who accounted for 45%, 15%, 15% and 15% of promises to give. As of August 31, 2020, there were two donors who accounted for 19% and 10% of promises to give.

Allowance for Uncollectible and Doubtful Accounts – Promises to Give and Accounts Receivable

PCA provides for an allowance for uncollectible accounts for promises to give and an allowance for doubtful accounts for 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 the contractual terms. It is PCA's policy to charge off uncollectible promises to give and doubtful accounts receivable when management determines the receivable will not be collected. The total allowance was $36,000 for the years ended August 31, 2021 and 2020.

Inventory

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

1. Summary of Significant Accounting Policies, continued

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.

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, 2021, there were no donors who accounted for more than 10% of contribution revenue. For the year ended August 31, 2020, there were two donors who each accounted for 12% of contribution revenue.

1. Summary of Significant Accounting Policies, continued

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 workshops 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 payment during the year in the form of a conditional contribution. As of August 31, 2021 and 2020, the refundable advances balance represents advanced payments received from donors for which the conditions were not yet met as of August 31, 2021 and 2020. These amounts will be recognized when the conditions are met.

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.

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.

1. Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

Program Service Fees, continued

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:

	2021	2020
Products and services transferred over time	$ 161,311	$ 139,556
Products and services transferred at a point in time	1,672,568	1,789,955
Total program service revenue	$ 1,833,879	$ 1,929,511

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.

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.

1. Summary of Significant Accounting Policies, continued

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, 2020, the Organization adopted the requirements of the Financial Accounting Standard Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("ASU 2014-09"), using the modified retrospective approach, which, along with subsequent amendments, modified revenue recognition accounting guidance under Topic 606. ASU 2014-09 sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of ASU 2014-09 is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The adoption of ASU 2014-09 had no significant impact to PCA's revenue or beginning net assets as of and for the year ended August 31, 2021.

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.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) ("ASU 2020-07"). ASU 2020-07 requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. ASU 2020-07 requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. ASU 2020-07 does allow for early adoption. PCA is currently evaluating the impact of adopting ASU 2020-07 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 $510,881 and total change in net assets of $1,617,481 and ($2,136,567) for the years ended August 31, 2021 and 2020, respectively. Additionally, PCA has net assets without donor restrictions of $156,087 as of August 31, 2021 and had a deficit in net assets without donor restrictions of $858,673 as of August 31, 2020. 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 2022 and 2023.

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 $300,000 line of credit available for liquidity needs (see Note 6).

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:

	2021	2020
Cash and cash equivalents	$ 3,716,635	$ 2,466,757
Promises to give, net	671,300	486,027
Accounts receivable and miscellaneous receivables, net	239,304	45,519
Total financial assets available within one year	4,627,239	2,998,303
Less: amounts not available to be used within one year:		
Promises to give, noncurrent	(200,000)	(32,000)
Financial assets available to meet general expenditures within one year	$ 4,427,239	$ 2,966,303

3. Promises to Give

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

	2021	2020
Within one year	$ 487,300	$470,027
Within two to five years	200,000	32,000
	687,300	502,027
Less: allowance	(16,000)	(16,000)
	$ 671,300	$486,027

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 are as follows for the years ended August 31:

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

2020

Grantor	Total Award	Term	Condition	Remaining Conditional Portion
Bruhn-Morris Family Foundation	$ 25,000	N/A	Seed funding for Washington DC Chapter	$ 12,500
Miami Dolphins	$ 75,000	N/A	Seed funding for South Florida Chapter	75,000
Daniels Fund	$ 325,000	March 1, 2020 - February 28, 2021	Pledge based on achieving match goal in Colorado and Utah	162,500
Susan Crown Exchange	$ 1,400,000	January 1, 2020 - December 31, 2023	Million Coaches Challenge	1,000,000
				$ 1,250,000

5. Fixed Assets

Fixed assets consisted of the following as of August 31:

	2021	2020
Computer equipment	$ 377,234	$ 377,234
Software	321,089	321,089
Office equipment	71,652	71,652
Leasehold improvements	9,781	9,781
Website design	446,757	433,508
	1,226,513	1,213,264
Less: accumulated depreciation	(1,201,285)	(1,178,989)
	$ 25,228	$ 34,275

Depreciation expense was $22,296 and $52,232 for the years ended August 31, 2021 and 2020, respectively.

6. Line of Credit

PCA has a secured line of credit with a bank of $300,000 with an interest rate of 3.50% and maturity of September 4, 2022. There were no borrowings on the line of credit as of August 31, 2021 or 2020. PCA is in compliance with applicable loan covenants for years ended August 31, 2021 and 2020.

7. 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, 2021 and 2020:

	2021 Refundable Advance
Susan Crown Exchange	$ 166,667
David Weekley	150,000
Nike Inc	10,000
Under Armour	99,000
Laureus Foundation	37,000
Tampa Bay Lightning	16,750
A Glimmer of Hope	1,000
Total refundable advance	$ 480,417

7. Refundable Advance, continued

	2020 Refundable Advance
David Weekley	$ 150,000
Susan Crown Exchange	133,333
Los Angeles Dodgers	35,005
Brian Matthew Stocker Charitable Fund	1,667
A Glimmer of Hope	1,000
Total refundable advance	$ 321,005

8. 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, 2021 and 2020, PCA entered into contracts totaling approximately $806,000 and $740,000, 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.

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

	2021	2020
Deferred revenue, beginning of year	$ 1,081,102	$ 1,065,831
Add: Increase in deferred revenue due to cash received during the year	1,504,505	1,588,524
Less: Deferred revenue recognized during the year	(1,534,613)	(1,573,253)
Deferred revenue, end of year	$ 1,050,994	$ 1,081,102

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.

9. Notes Payable from Paycheck Protection Program, continued

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. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. The Organization intends to use the entire PPP loan amount for qualifying expenses. Under the terms of the PPP loan, certain amounts of the PPP loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The PPP loan will mature on March 15, 2026. Subsequent to year-end on October 27, 2021, PCA applied for full forgiveness of the second loan. The loan amount is classified as a non-current liability as the full amount is expected to be forgiven.

10. Net Assets With Donor Restrictions

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

	2021	2020
Subject to expenditure for specified purpose:		
Expansion	$ 330,000	$ 250,943
Workshops	852,139	407,025
Operations and other programming	284,473	151,923
Beneficial interest held in perpetuity	10,000	10,000
Total	$ 1,476,612	$ 819,891

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:

	2021	2020
Satisfaction of purpose restrictions:		
Expansion	$ 245,943	$ 310,500
Workshops	449,411	491,053
Operations and other programming	518,071	360,728
	$ 1,213,425	$ 1,162,281

11. In-kind Contributions

In-kind contributions were as follows for the years ended August 31:

	2021	2020
Promotional and special event items	$ 106,301	$ 176,466
Online advertising services	470,968	348,000
Professional services	9,738	1,088
Total in-kind contributions	$ 587,007	$ 525,554

12. Fair Value Measurement

The following tables summarize PCA's financial assets measured at fair value on a recurring basis as of August 31, 2021 and 2020:

	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

	2020			
	Level 1	Level 2	Level 3	Total
Cash equivalents - money market	$ 526,617	$ -	$ -	$ 526,617
Beneficial interest in assets held by others	-	10,000	-	10,000
Total	$ 526,617	$ 10,000	$ -	$ 536,617

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, 2021 and 2020:

	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
	$ 1,437,664	$ (121,383)	$ (240,262)	$ (67,811)	$ 1,008,208

13. Special Events, continued

	For the Year Ended August 31, 2020				
Special Events	Revenue	Cost of Direct Benefit to Donors	Other Direct Expenses	In-Kind Donated Items Donors	Net
NYSA Dinner	$ 278,025	$ -	$ (22,710)	$ -	$ 255,315
Central Texas	5,780	-	(694)	(946)	4,140
Chicago	95,750	(23,000)	(14,655)	(9,005)	49,090
Minnesota	32,440	(5,676)	(20,430)	(14,817)	(8,483)
New England	57,721	-	(42,811)	(18,870)	(3,960)
Portland	80,190	(22,500)	(15,881)	(22,423)	19,386
SF Bay Area	155,383	(39,113)	(20,491)	(26,883)	68,896
Sacramento	35,030	-	(8,336)	(13,556)	13,138
Tampa Bay	137,745	(9,690)	(28,449)	(20,100)	79,506
Mid-Atlantic	44,515	-	(14,388)	-	30,127
Total events	$ 922,579	$ (99,979)	$ (188,845)	$ (126,600)	$ 507,155

14. Scholarships

During the years ended August 31, 2021 and 2020, PCA identified 122 and 168 winners, respectively, of the Triple-Impact Competitor® scholarships award for $150,750 and $169,750, respectively. PCA paid the scholarships during the summer of 2021 and 2020, respectively; therefore, no scholarships were included in accrued liabilities as of August 31, 2021 or 2020.

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. PCA does not currently provide a matching contribution.

16. Commitments and Contingencies

Lease

PCA leased office space expiring between April 30, 2022 and June 30, 2024. Future minimum lease payments under these leases are as follows:

Year ending August 31:	
2022	$ 201,403
2023	38,918
2024	33,240
	$ 273,561

Rental expense was $260,760 and $328,830 for the years ended August 31, 2021 and 2020, 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. 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, of which $114,930 had not yet been applied and was recorded as other assets as of August 31, 2021.

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, 2021.

17. Major Funding Source and Related Parties

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

For the year ended August 31, 2020, the Organization had two funding sources that provided support of approximately $590,950 and $550,000, which represents 12%, and 12%, respectively, of total contributions. Of these contributions, $550,000 came from a member of the Board of Directors and, as such, is considered a related party transaction.

18. Subsequent Events

In December 2021, PCA and Coaching Corps announced the intention to merge into a single Organization to drive significant change within the youth sports space. The combined organization will retain the PCA name and brand. Following a unanimous vote by both Boards of Directors, the merger transaction is expected to close in the first calendar quarter of 2022.

PCA evaluated subsequent events for recognition and disclosure through December 10, 2021, the date which these financial statements were available to be issued. Management has concluded that, other than above, no other material subsequent events have occurred since August 31, 2021 that require recognition or disclosure in these financial statements.