Positive Coaching Alliance

Financial Statements

August 31, 2017 and 2016

POSITIVE COACHING ALLIANCE

CONTENTS

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, 2017 and 2016, 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, 2017 and 2016, 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

E. Palo Alto, California
December 18, 2017

POSITIVE COACHING ALLIANCE
STATEMENTS OF FINANCIAL POSITION
August 31, 2017 and 2016

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,223,861	$ 4,604,229
Money market fund	524,286	524,196
Promises to give, less $16,000 allowance for uncollectible accounts for August 31, 2017 and 2016	1,558,918	1,828,266
Accounts receivable and miscellaneous receivables, less $20,000 allowance for doubtful accounts for August 31, 2017 and 2016	279,337	192,527
Inventory	11,098	10,664
Prepaid expense and other current assets	115,834	111,818
Total current assets	4,713,334	7,271,700
Fixed assets, net of accumulated depreciation	267,650	375,790
Promises to give, noncurrent	540,500	786,083
Beneficial interest in permanently restricted assets held by others	10,000	10,000
Other assets	50,673	50,423
Total assets	$ 5,582,157	$ 8,493,996
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 370,491	$ 652,055
Deferred revenue	854,669	903,091
Accrued liabilities	665,912	693,650
Deferred rent	45,849	32,378
Total current liabilities	1,936,921	2,281,174
Net assets:		
Unrestricted net assets	831,013	1,448,145
Temporarily restricted net assets	2,804,223	4,754,677
Permanently restricted net assets	10,000	10,000
Total net assets	3,645,236	6,212,822
Total liabilities and net assets	$ 5,582,157	$ 8,493,996

The accompanying notes are an integral part of these financial statements.

POSITIVE COACHING ALLIANCE

STATEMENTS OF ACTIVITIES

For the years ended August 31, 2017 and 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Contributions	$ 2,779,012	$ 2,451,179	$ -	$ 5,230,191	$ 2,175,768	$ 3,229,766	$ -	$ 5,405,534
Special events	1,506,773	-	-	1,506,773	1,497,482	-	-	1,497,482
In-kind revenue	652,146	-	-	652,146	571,099	-	-	571,099
Fees for workshops	2,547,970	-	-	2,547,970	2,541,912	-	-	2,541,912
Other service fees	204,692	-	-	204,692	318,631	-	-	318,631
Merchandise sales	1,641	-	-	1,641	2,511	-	-	2,511
Other revenue	66,297	-	-	66,297	86,966	-	-	86,966
Net assets released from restrictions	4,401,633	(4,401,633)	-	-	4,576,883	(4,576,883)	-	-
Total support and revenue	12,160,164	(1,950,454)	-	10,209,710	11,771,252	(1,347,117)	-	10,424,135
Expenses:								
Program services:								
Partnership sales	2,619,054	-	-	2,619,054	2,273,212	-	-	2,273,212
Training fulfillment	1,579,559	-	-	1,579,559	1,572,293	-	-	1,572,293
Trainer development	612,838	-	-	612,838	491,307	-	-	491,307
Content and product development	729,382	-	-	729,382	606,349	-	-	606,349
Program delivery	3,956,115	-	-	3,956,115	3,752,900	-	-	3,752,900
Total program services	9,496,948	-	-	9,496,948	8,696,061	-	-	8,696,061
Supporting services:								
Fundraising	1,780,629	-	-	1,780,629	1,423,884	-	-	1,423,884
Management and general	1,308,840	-	-	1,308,840	936,882	-	-	936,882
Total supporting services	3,089,469	-	-	3,089,469	2,360,766	-	-	2,360,766
Cost of direct benefit to donors	190,879	-	-	190,879	164,037	-	-	164,037
Total expenses	12,777,296	-	-	12,777,296	11,220,864	-	-	11,220,864
Change in net assets	(617,132)	(1,950,454)	-	(2,567,586)	550,388	(1,347,117)	-	(796,729)
Net assets, beginning of year	1,448,145	4,754,677	10,000	6,212,822	897,757	6,101,794	10,000	7,009,551
Net assets, end of year	$ 831,013	$ 2,804,223	$ 10,000	$ 3,645,236	$ 1,448,145	$ 4,754,677	$ 10,000	$ 6,212,822

The accompanying notes are an integral part of these financial statements.

POSITIVE COACHING ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2017

	Program Services						Supporting Services				
	Partnership Sales	Training Fulfillment	Trainer Development	Content and Product Development	Program Delivery	Total Program Services	Fund Raising	Management and General	Total Supporting Services	Cost of Direct Benefit to Donors	Total Expenses
Salaries	$ 1,859,853	$ 416,459	$ 357,900	$ 551,691	$ 1,011,614	$ 4,197,517	$ 1,192,370	$ 907,865	$ 2,100,235	$ -	$ 6,297,752
Benefits	157,186	31,607	23,307	33,023	83,794	328,917	80,464	54,311	134,775	-	463,692
Payroll taxes	149,453	36,119	31,207	46,082	90,476	353,337	108,242	80,603	188,845	-	542,182
Total salaries and related expenses	2,166,492	484,185	412,414	630,796	1,185,884	4,879,771	1,381,076	1,042,779	2,423,855	-	7,303,626
Contract labor	-	526,290	5,400	-	41,355	573,045	10,320	-	10,320	-	583,365
Administrative fees	92,467	12,294	8,980	20,899	114,382	249,022	120,669	35,816	156,485	-	405,507
Professional fees	10,092	5,091	3,711	15,037	908,048	941,979	47,662	78,639	126,301	-	1,068,280
Insurance	10,280	3,144	2,228	3,986	7,054	26,692	6,588	4,505	11,093	-	37,785
Marketing	31,669	1,655	12,730	945	662,483	709,482	3,274	2,114	5,388	-	714,870
Printing and publications	2,972	284,866	859	196	44,489	333,382	14,605	311	14,916	-	348,298
Travel and entertainment	60,416	183,712	118,901	2,214	360,181	725,424	76,216	15,948	92,164	190,879	1,008,467
Supplies	3,900	1,215	2,304	887	16,618	24,924	5,579	1,346	6,925	-	31,849
Postage and shipping	3,055	36,225	1,139	308	10,414	51,141	6,778	6,294	13,072	-	64,213
Occupancy	104,510	27,296	22,151	38,292	137,900	330,149	65,275	46,445	111,720	-	441,869
Telephone	47,524	6,525	6,885	6,947	22,170	90,051	12,691	8,683	21,374	-	111,425
Equipment costs	56,455	5,945	11,721	8,097	129,716	211,934	22,111	20,359	42,470	-	254,404
Depreciation	12,092	1,172	3,415	778	80,589	98,046	7,785	43,172	50,957	-	149,003
Cost of goods sold	13,808	-	-	-	44	13,852	-	-	-	-	13,852
Scholarships and miscellaneous	3,322	(56)	-	-	234,788	238,054	-	2,429	2,429	-	240,483
Total functional expenses	$ 2,619,054	$ 1,579,559	$ 612,838	$ 729,382	$ 3,956,115	$ 9,496,948	$ 1,780,629	$ 1,308,840	$ 3,089,469	$ 190,879	$ 12,777,296

The accompanying notes are an integral part of these financial statements.

POSITIVE COACHING ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2016

	Program Services						Supporting Services				
	Partnership Sales	Training Fulfillment	Trainer Development	Content and Product Development	Program Delivery	Total Program Services	Fund Raising	Management and General	Total Supporting Services	Cost of Direct Benefit to Donors	Total Expenses
Salaries	$ 1,441,655	$ 640,620	$ 336,370	$ 462,838	$ 624,124	$ 3,505,607	$ 974,740	$ 655,633	$ 1,630,373	$ -	$ 5,135,980
Benefits	122,247	64,864	24,237	29,928	49,813	291,089	71,803	53,397	125,200	-	416,289
Payroll taxes	112,946	56,873	30,506	38,177	54,774	293,276	90,078	59,014	149,092	-	442,368
Total salaries and related expenses	1,676,848	762,357	391,113	530,943	728,711	4,089,972	1,136,621	768,044	1,904,665	-	5,994,637
Contract labor	180	376,104	6,625	599	120,980	504,488	4,600	-	4,600	-	509,088
Administrative fees	94,034	16,240	6,340	8,313	216,312	341,239	66,623	22,848	89,471	-	430,710
Professional fees	9,168	8,281	4,748	11,092	1,119,554	1,152,843	16,732	26,404	43,136	-	1,195,979
Insurance	12,017	6,865	2,360	3,031	4,944	29,217	6,829	4,856	11,685	-	40,902
Marketing	17,951	98	4,763	1	649,564	672,377	5,822	1,484	7,306	-	679,683
Printing and publications	203,831	103,312	1,273	2,569	26,293	337,278	21,434	3,211	24,645	-	361,923
Travel and entertainment	46,875	165,711	21,793	4,262	364,556	603,197	36,409	10,109	46,518	164,037	813,752
Supplies	4,449	2,260	5,874	587	9,328	22,498	4,723	1,713	6,436	-	28,934
Postage and shipping	2,784	47,759	697	951	5,998	58,189	7,460	1,030	8,490	-	66,679
Occupancy	96,247	57,719	21,003	29,475	88,502	292,946	65,189	44,582	109,771	-	402,717
Telephone	36,414	9,481	9,092	6,324	14,028	75,339	8,918	7,273	16,191	-	91,530
Equipment costs	45,442	14,173	12,568	7,275	108,711	188,169	26,461	21,267	47,728	-	235,897
Depreciation	13,252	1,809	3,039	927	49,926	68,953	10,415	21,199	31,614	-	100,567
Cost of goods sold	12,621	-	-	-	-	12,621	-	-	-	-	12,621
Scholarships and miscellaneous	1,099	124	19	-	245,493	246,735	5,648	2,862	8,510	-	255,245
Total functional expenses	$ 2,273,212	$ 1,572,293	$ 491,307	$ 606,349	$ 3,752,900	$ 8,696,061	$ 1,423,884	$ 936,882	$ 2,360,766	$ 164,037	$ 11,220,864

The accompanying notes are an integral part of these financial statements.

POSITIVE COACHING ALLIANCE
STATEMENTS OF CASH FLOWS
For the years ended August 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Decrease in net assets	$ (2,567,586)	$ (796,729)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	149,003	100,567
Gain from sale of fixed assets	-	(500)
Bad debt expense	(194,270)	(179,165)
(Increase) decrease in:		
Promises to give	649,445	1,913,639
Accounts receivable and miscellaneous receivables	(27,054)	84,220
Inventory	(434)	(5,124)
Prepaid expense and other current assets	(4,016)	8,463
Other assets	(250)	(6,027)
Accounts payable	(281,564)	391,024
Deferred revenue	(48,422)	(38,968)
Accrued liabilities	(27,738)	185,527
Deferred rent	13,471	21,214
Net cash (used in) provided by operating activities	(2,339,415)	1,678,141
Cash flows from investing activities:		
Purchases of equipment	(40,863)	(325,271)
Proceeds from sale equipment	-	674
Reinvestment of money market funds	(90)	(52)
Net cash used in investing activities	(40,953)	(324,649)
Net (decrease) increase in cash and cash equivalents	(2,380,368)	1,353,491
Cash and cash equivalents, beginning of year	4,604,229	3,250,738
Cash and cash equivalents, end of year	$ 2,223,861	$ 4,604,229

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

Nature of Business

Positive Coaching Alliance ("PCA") is a nonprofit organization, established in June 1998, whose mission is to transform the culture of youth sports to give all young athletes the opportunity for a positive, character-building experience. Our goal is to develop "Better Athletes, Better People". 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 Organization ("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 five programs, PCA assists the participants in learning ways to transform the culture of youth sport and to provide youth with an opportunity to have a positive and character-building sports experience.

Partnership Sales

The goal of Partnership Sales is to educate the leaders of YSOs and schools to recognize that they can transform youth sports by partnering with PCA. When the partnership is forged, Partnership Sales provides the support partners require to implement the program.

Training Fulfillment

Through coach, sports parent, student-athlete, and leadership workshops presented by certified trainers, PCA aims to train each participant to become a Double-Goal Coach, Second-Goal Parent®, or Triple-Impact Competitor® and to help them develop an Honoring the Game organizational culture.

Trainer Development

PCA offers continuous development opportunities to its trainers to maintain the workshop effectiveness. The effectiveness and the success of the workshops hinge on the certified trainer's ability to engage the audience and to present the materials in the manner that yields the highest impact.

Content and Product Development

PCA dedicates resources to the development of products and content to ensure that quality and relevant materials are available to the trainers, partners, and general public interest in the PCA movement. The materials developed are used during the live and online workshops and provided to the participants for their use in the principles of PCA to their constituents.

Program Delivery

With the financial support of many generous individuals, foundations, and corporations, PCA is able to pursue key programmatic initiatives that are focused on either expanding and enhancing existing programs or developing new programs that further our mission of transforming youth sports.

Continued

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

Basis of Accounting

PCA maintains its records on the accrual basis of accounting in accordance with generally accepted accounting principles. There are three classes of net assets:

- Unrestricted net assets consist of resources that are neither temporarily nor permanently restricted by donor-imposed stipulation.
- Temporarily restricted net assets consist of any resources that have been restricted as to use or time by the donor. Once the restriction is satisfied, either by the passage of time or by actions of PCA, the temporarily restricted net assets are reclassified to unrestricted net assets. PCA reports as an increase in unrestricted net assets any temporarily restricted revenue for which the restrictions have been met at the time the gift is given in the current year.
- Permanently restricted net assets consist of any resources that have been permanently restricted as to use by the donor and will neither expire by the passage of time nor be removed by actions of PCA. PCA has $10,000 in permanently restricted assets at August 31, 2017 and 2016.

Cash and Cash Equivalents

All highly liquid instruments with a maturity of three months or less are considered to be cash equivalents.

Contributions

Contributions received are recorded as an increase in unrestricted revenue, temporarily restricted, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

Donated 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 unrestricted support unless explicit donor stipulations specify how donated assets must be used. PCA benefited from donated advertising services to enhance PCA's message and program delivery which were valued by Google AdWords at approximately $464,000 and $446,000 during the years ended August 31, 2017 and 2016, respectively. These amounts have been reported as both in-kind contribution revenue and in-kind marketing expense on the statements of activities. PCA recognizes the fair value of contributed services received as the services have provided PCA with a way to help communicate its message and mission during each fiscal year.

Continued

1. Summary of Significant Accounting Policies, continued

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 the PCAs policy to charge off uncollectible promises to give and doubtful accounts receivable when management determines the receivable will not be collected. Total allowance was $36,000 for the years ended August 31, 2017 and 2016.

Program Service Fees and Accounts Receivable

Program service fees represent income from workshops and are recognized when the contract is entered into as receivable and deferred revenue. Deferred revenue is released to income as workshops are performed.

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.

Fixed Assets

PCA capitalizes all property and equipment purchases in excess of $1,000. 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.

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 further 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.

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.

Continued

1. Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

PCA has determined that the amounts reported for financial assets and liabilities, including cash equivalents, accounts receivable, and accounts payable, are considered to have carrying amounts that approximate fair value because of the short maturity of these financial instruments.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that may affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Recent Accounting Pronouncements

In May 2014, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which converges the FASB and the International Accounting Standards Board standards on revenue recognition. The ASU supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized, based upon the core principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires additional disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The ASU is effective for fiscal years beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for annual reporting periods beginning after December 15, 2016 including interim periods within that reporting period. PCA is currently evaluating the impact of the adoption of this ASU on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (842). The new guidance requires lessees to recognize a right-to-use asset and a lease liability for virtually all leases (other than leases that meet the definition of a short-term lease). The new guidance is effective for fiscal years beginning after December 15, 2019 and interim periods beginning the following year. Early application is permitted. PCA is in the process of evaluating the impact of the new guidance on its financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash* (230). The amendment addresses diversity in practice that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. The amendment requires that a statement of cash flow explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendment are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted and the amendment should be applied using a retrospective transition method to each period presented. PCA currently does not have any restricted cash.

Continued

1. Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements, continued

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (958). This statement includes updates that improve the usefulness of financial statements or reduce complexities for preparers. Some of the updates include requiring all nonprofits to present expenses by function and nature; replacing traditional three classes of net assets with only two classes (those with donor-imposed restrictions and those without); reaffirmation of existing methods of presenting operating cash flows. The ASU is effective for annual reporting periods beginning after December 15, 2017, with early adoption permitted. PCA is currently evaluating the impact of adoption on its financial statements.

2. Promises to Give

Promises to give at August 31, 2017 and 2016 are expected to be collected as follows:

	2017	2016
Received within 1 year	$ 1,574,918	$ 1,844,266
Received beyond 1 year	540,500	786,083
Allowance for uncollectible accounts	(16,000)	(16,000)
	$ 2,099,418	$ 2,614,349

3. Concentration of Credit Risk

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.

4. Concentrations

Promises to Give

At August 31, 2017, two donors accounted for 19% and 12% individually of gross promises to give, all of which were temporarily restricted. At August 31, 2016, two donors accounted for 23% and 19% individually of gross promises to give, all of which were temporarily restricted.

Contribution Support

For the year ended August 31, 2016, PCA received approximately 10% of its contribution support from one donor.

Continued

4. Concentrations, continued

Vendor

For the year ended August 31, 2016, PCA had one vendor who accounted for 54% of the total accounts payable balance.

5. 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.

6. 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 Year Ended August 31, 2017				
Special Events	Revenue	Cost of Direct Benefit to Donors	Other Direct Expenses	In-Kind Donated Items Donors	Net
NYSA Dinner	$ 392,033	$ (59,375)	$ (124,624)	$ (22,866)	$ 185,168
Central Texas	16,700	(4,400)	(13,666)	-	(1,366)
Chicago	81,104	(13,255)	(11,797)	(500)	55,552
Cleveland	29,115	(14,891)	(1,717)	(1,700)	10,807
Hawaii	35,747	(6,144)	(11,280)	(317)	18,006
Houston	86,750	(8,863)	(11,585)	-	66,302
Los Angeles	98,144	(14,695)	(16,500)	(20,892)	46,057
Minnesota	98,922	(13,780)	(20,123)	-	65,019
New England	102,399	(7,493)	(38,561)	(10,507)	45,838
New York	113,980	(3,325)	(5,500)	-	105,155
North Texas	45,041	(9,876)	(6,743)	(206)	28,216
Portland	124,150	(28,062)	(5,984)	(25,164)	64,940
SF Bay Area	276,831	(6,720)	(84,341)	(14,201)	171,569
Sacramento	59,782	-	(28,901)	(9,572)	21,309
Tampa Bay	52,000	-	(7,686)	-	44,314
Total events	$ 1,612,698	$ (190,879)	$ (389,008)	$ (105,925)	$ 926,886

Continued

6. Special Events, continued

	For the Year Ended August 31, 2016				
Special Events	Revenue	Cost of Direct Benefit to Donors	Other Direct Expenses	In-Kind Donated Items Donors	Net
NYSA Dinner	$ 513,263	$ (52,514)	$ (104,027)	$ (39,204)	$ 317,518
SF Bay Area	237,079	(32,805)	(56,199)	-	148,075
Cleveland	28,700	(2,550)	(6,256)	-	19,894
Minnesota	104,795	(6,566)	(15,277)	(14,076)	68,876
Sacramento	103,084	(2,700)	(15,339)	(12,919)	72,126
Chicago	104,541	(13,862)	(21,892)	(5,744)	63,043
North Texas	37,980	(4,900)	(5,996)	-	27,084
Colorado	68,200	(7,425)	(30,202)	-	30,573
Portland	76,572	(6,040)	(18,251)	-	52,281
Phoenix	33,595	(5,892)	(1,562)	-	26,141
Houston	139,350	(10,710)	(21,496)	-	107,144
New England	56,880	(4,323)	(9,571)	(5,400)	37,586
Hawaii	78,206	(13,750)	(17,995)	(7,420)	39,041
Total events	$ 1,582,245	$ (164,037)	$ (324,063)	$ (84,763)	$ 1,009,382

7. Fixed Assets

Fixed assets consist of the following:

	2017	2016
Computer equipment	$ 330,279	$ 289,414
Software	321,089	321,089
Office equipment	73,332	73,332
Leasehold improvements	9,781	9,781
Website design	431,076	431,076
	1,165,557	1,124,692
Less accumulated depreciation	(897,907)	(748,902)
	$ 267,650	$ 375,790

Depreciation expense for the years ended August 31, 2017 and 2016 was $149,003 and $100,567, respectively.

Continued

8. In-kind Contributions

In-kind contributions for the year ended August 31, 2017 and 2016 are as follows:

	2017	2016
Promotional and special event items	$ 120,010	$ 99,011
Professional services	67,890	13,951
Use of facilities	-	11,760
Online advertising services	464,246	446,376
Total in-kind donations	$ 652,146	$ 571,098

9. Commitments and Contingencies

PCA leased office space through April 30, 2022. Future minimum lease payments under these leases are as follows:

Fiscal year ending August 31:	Amount
2018	$ 294,341
2019	229,553
2020	229,784
2021	239,136
2022	163,619
	$ 1,156,433

Rental expense for the year ended August 31, 2017 was $363,144. Rental expense and sublease rental income for the year ended August 31, 2016 was $353,785 and $5,895, respectively

PCA received two grants to support a Tufts University research project to determine the effect of PCA's influence on coaches and athletes in an effort to further support the PCA's mission and provide awareness of its impact. The first grant was from Templeton Foundation for a contract period from August 1, 2014 – July 31, 2017. The total award amount of $1,277,155 required that $947,673 was subcontracted with Tufts University. The second grant was from Bechtel Foundation for a contract period from December 11, 2015 through December 10, 2016 for $552,453 which was subcontracted to Tufts University. PCA agreed to reimburse expenses incurred plus overhead of 15% in the performance of the agreement up to $552,453. For the year ended August 31, 2017 expenses incurred were $299,087 and $209,628, respectively. For the year ended August 31, 2016 expenses incurred were $480,984 and $257,201, respectively. At August 31, 2017 and 2016 $64,559 and $347,725 was included in accounts payable, respectively.

Continued

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted as follows:

Program	2017	2016
Expansion and operating	$ 2,289,162	$ 3,255,866
Program delivery	515,061	1,498,811
Total	$ 2,804,223	$ 4,754,677

Temporarily restricted net assets released from restriction were as follows:

Program	2017	2016
Expansion and operating	$ 2,655,940	$ 2,850,187
Program delivery	1,745,693	1,726,696
Total	$ 4,401,633	$ 4,576,883

11. Endowment Funds

In October 2014, PCA established the Positive Coaching Alliance – Tampa Bay Endowment Fund. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions. The Endowment Fund is a permanently restricted net asset for which the principal value of $10,000 was stipulated by donors to be invested in perpetuity, with the earnings available to carry out PCA's role and mission in the Tampa Bay area. Investment of these assets is at the discretion of the Community Foundation of Tampa Bay, Inc.

The Board of PCA has interpreted the California version of the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, PCA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

12. Scholarships

During the years ended August 31, 2017 and 2016, PCA has identified 152 and 156 winners of the Triple-Impact Competitor® scholarships award for $219,500 and $208,250, respectively. PCA paid the scholarships in early summer of 2017 and therefore no scholarships were included in accrued liabilities as of August 31, 2017. For August 31, 2016, PCA did not identify scholarship winners until September 2016 and therefore no scholarships were included in accrued liabilities as of August 31, 2016.

Continued

13. Line of Credit

PCA has a secured line of credit with First Republic Bank for $300,000 with an interest rate of 4.25% with maturity of February 4, 2018. There were no borrowings on this line of credit during the fiscal year ended August 31, 2017 or 2016.

14. Fair Value Measurement

PCA utilizes valuation techniques in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs reflect assumptions that market participants would use in pricing an asset or liability and are based on market data obtained from independent sources while unobservable inputs reflect PCA's assumptions in pricing an asset or liability. There have been no changes in valuation techniques for the year ended August 31, 2017.

PCA's financial assets measured at fair value on a recurring basis are categorized according to the fair value hierarchy consisting of the following three levels:

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.

The following table summarizes PCA's financial assets measured at fair value on a recurring basis as of August 31, 2017 and 2016:

	2017			
	Level 1	Level 2	Level 3	Total
Money market accounts	$ 524,286	$ -	$ -	$ 524,286
Beneficial interest in assets held by others	-	10,000	-	10,000
Total	$ 524,286	$ 10,000	$ -	$ 534,286

	2016			
	Level 1	Level 2	Level 3	Total
Money market accounts	$ 524,196	$ -	$ -	$ 524,196
Beneficial interest in assets held by others	-	10,000	-	10,000
Total	$ 524,196	$ 10,000	$ -	$ 534,196

Continued

15. 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 for the year ended August 31, 2017 are as follows:

Warren Lichentenstein	Seed funding for New York Chapter	$	50,360
Lisle Payne	Pledge based on achieving annual campaign goals		50,000
Bruhn-Morris Family Foundation	Seed funding for Washington DC Chapter		50,000
Warren Lichentenstein	Seed funding for Los Angeles Chapter		48,341
Tom Barnds	Seed funding for Detroit Chapter		40,000
Lisle Payne	Pledge based on approval of growth capital plan		15,000
		$	253,701

16. Subsequent Events

PCA evaluated subsequent events for recognition and disclosure through December 18, 2017, the date which these financial statements were available to be issued. Management has concluded that no other material subsequent events have occurred since August 31, 2017 that require recognition or disclosure in these financial statements.