Positive Coaching Alliance

Financial Statements

August 31, 2015 and 2014

POSITIVE COACHING ALLIANCE

CONTENTS

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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, 2015 and 2014, 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, 2015 and 2014, 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.

Burr Pilger Mayer, Inc.

E. Palo Alto, California
December 17, 2015

POSITIVE COACHING ALLIANCE

STATEMENTS OF FINANCIAL POSITION

August 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,250,738	$ 1,825,661
Money market fund	524,144	524,218
Promises to give, less $16,000 allowance for uncollectible accounts for August 31, 2015 and 2014	3,215,523	1,578,816
Accounts receivable and miscellaneous receivables, less $20,000 allowance for doubtful accounts for August 31, 2015 and 2014	246,832	346,933
Inventory	5,539	2,747
Prepaid expense and other current assets	120,281	80,896
Total current assets	7,363,057	4,359,271
Fixed assets, net of accumulated depreciation	151,260	124,444
Promises to give, noncurrent	1,163,215	847,861
Beneficial interest in permanently restricted assets held by others	10,000	-
Other assets	44,396	40,419
Total assets	$ 8,731,928	$ 5,371,995
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 261,031	$ 193,476
Deferred revenue	942,059	892,482
Accrued liabilities	508,123	592,219
Deferred rent	11,164	10,713
Total current liabilities	1,722,377	1,688,890
Net assets:		
Unrestricted net assets	897,757	573,929
Temporarily restricted net assets	6,101,794	3,109,176
Permanently restricted net assets	10,000	-
Total net assets	7,009,551	3,683,105
Total liabilities and net assets	$ 8,731,928	$ 5,371,995

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

POSITIVE COACHING ALLIANCE

STATEMENTS OF ACTIVITIES

For the years ended August 31, 2015 and 2014

	2015				2014		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:							
Contributions	$ 2,005,230	$ 6,131,759	$ 10,000	$ 8,146,989	$ 1,363,220	$ 3,239,240	$ 4,602,460
Special events	1,025,061	-	-	1,025,061	1,219,971	-	1,219,971
In-kind revenue	187,752	-	-	187,752	139,571	-	139,571
Fees for workshops	2,136,576	-	-	2,136,576	1,952,515	-	1,952,515
Other service fees	353,912	-	-	353,912	301,497	-	301,497
Merchandise sales	4,183	-	-	4,183	4,316	-	4,316
Other revenue	56,814	-	-	56,814	61,687	-	61,687
Net assets released from restrictions	3,139,141	(3,139,141)	-	-	2,380,664	(2,380,664)	-
Total support and revenue	8,908,669	2,992,618	10,000	11,911,287	7,423,441	858,576	8,282,017
Expenses:							
Program services:							
Partnership sales	1,927,523	-	-	1,927,523	1,667,919	-	1,667,919
Training fulfillment	1,489,499	-	-	1,489,499	1,199,075	-	1,199,075
Trainer development	440,768	-	-	440,768	239,107	-	239,107
Content and product developmen	479,971	-	-	479,971	377,507	-	377,507
Program delivery	2,084,720	-	-	2,084,720	1,617,439	-	1,617,439
Total program services	6,422,481	-	-	6,422,481	5,101,047	-	5,101,047
Supporting services:							
Fundraising	1,348,318	-	-	1,348,318	1,169,752	-	1,169,752
Management and general	707,095	-	-	707,095	656,540	-	656,540
Total supporting services	2,055,413	-	-	2,055,413	1,826,292	-	1,826,292
Cost of direct benefit to donors	106,947	-	-	106,947	147,863	-	147,863
Total expenses	8,584,841	-	-	8,584,841	7,075,202	-	7,075,202
Change in net assets	323,828	2,992,618	10,000	3,326,446	348,239	858,576	1,206,815
Net assets, beginning of year	573,929	3,109,176	-	3,683,105	225,690	2,250,600	2,476,290
Net assets, end of year	$ 897,757	$ 6,101,794	$ 10,000	$ 7,009,551	$ 573,929	$ 3,109,176	$ 3,683,105

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

POSITIVE COACHING ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2015

	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	$ 1,343,174	$ 503,680	$ 247,308	$ 361,093	$ 636,040	$ 3,091,295	$ 896,432	$ 480,860	$ 1,377,292	$ -	$ 4,468,587
Benefits	121,147	57,047	23,642	27,809	51,169	280,814	57,837	33,267	91,104	-	371,918
Payroll taxes	91,268	41,961	20,830	28,290	53,303	235,652	77,175	40,663	117,838	-	353,490
Total salaries and related expenses	1,555,589	602,688	291,780	417,192	740,512	3,607,761	1,031,444	554,790	1,586,234	-	5,193,995
Contract labor	2,544	282,461	4,417	-	103,501	392,923	1,486	176	1,662	-	394,585
Administrative fees	63,736	7,525	2,933	3,706	64,090	141,990	50,373	38,311	88,684	-	230,674
Professional fees	16,659	13,994	4,901	8,961	326,795	371,310	30,782	18,861	49,643	-	420,953
Insurance	10,019	5,118	1,749	2,059	4,285	23,230	5,065	2,886	7,951	-	31,181
Marketing	19,026	464	18,572	722	190,180	228,964	43,222	1,715	44,937	-	273,901
Printing and publications	7,065	304,308	1,477	2,467	16,696	332,013	9,805	2,008	11,813	-	343,826
Travel and entertainment	44,452	143,694	68,415	1,455	288,775	546,791	41,663	19,451	61,114	106,947	714,852
Supplies	2,856	1,907	3,092	523	9,703	18,081	2,427	2,717	5,144	-	23,225
Postage and shipping	2,908	50,934	907	1,029	4,471	60,249	8,954	1,040	9,994	-	70,243
Occupancy	100,416	49,237	20,676	27,206	50,128	247,663	61,464	33,486	94,950	-	342,613
Telephone	36,785	9,559	8,982	5,729	9,827	70,882	12,510	6,046	18,556	-	89,438
Equipment costs	34,045	13,466	9,300	6,343	65,484	128,638	32,090	4,925	37,015	-	165,653
Depreciation	16,411	4,144	3,567	2,579	23,523	50,224	12,624	18,912	31,536	-	81,760
Cost of goods sold	15,012	-	-	-	-	15,012	-	-	-	-	15,012
Scholarships and miscellaneous	-	-	-	-	186,750	186,750	4,409	1,771	6,180	-	192,930
Total functional expenses	$ 1,927,523	$ 1,489,499	$ 440,768	$ 479,971	$ 2,084,720	$ 6,422,481	$ 1,348,318	$ 707,095	$ 2,055,413	$ 106,947	$ 8,584,841

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

POSITIVE COACHING ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2014

	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	$ 1,153,317	$ 401,226	$ 144,543	$ 272,324	$ 670,558	$ 2,641,968	$ 689,692	$ 359,973	$ 1,049,665	$ -	$ 3,691,633
Benefits	103,827	52,105	13,859	22,887	63,922	256,600	51,713	34,172	85,885	-	342,485
Payroll taxes	75,096	34,387	12,250	22,551	56,269	200,553	62,488	34,304	96,792	-	297,345
Total salaries and related expenses	1,332,240	487,718	170,652	317,762	790,749	3,099,121	803,893	428,449	1,232,342	-	4,331,463
Contract labor	-	207,521	2,775	-	97,868	308,164	17,715	100	17,815	-	325,979
Administrative fees	41,504	6,944	2,374	7,049	25,247	83,118	30,798	31,749	62,547	-	145,665
Professional fees	33,147	29,821	6,761	11,428	129,638	210,795	57,360	81,814	139,174	-	349,969
Insurance	8,113	3,959	987	1,505	4,467	19,031	3,708	2,543	6,251	-	25,282
Marketing	13,894	1,689	597	30	137,748	153,958	49,076	1,078	50,154	-	204,112
Printing and publications	8,010	258,464	758	1,494	54,783	323,509	16,169	2,841	19,010	-	342,519
Travel and entertainment	50,857	94,177	24,325	1,128	137,686	308,173	59,052	26,683	85,735	147,863	541,771
Supplies	3,337	1,338	554	313	8,203	13,745	2,550	5,044	7,594	-	21,339
Postage and shipping	5,677	36,293	949	1,218	7,345	51,482	10,165	1,776	11,941	-	63,423
Occupancy	79,981	43,873	12,275	20,375	67,860	224,364	55,799	28,084	83,883	-	308,247
Telephone	32,921	7,843	6,740	5,145	14,033	66,682	11,856	17,650	29,506	-	96,188
Equipment costs	23,076	11,695	5,506	4,958	77,070	122,305	36,607	11,941	48,548	-	170,853
Depreciation	21,589	7,740	3,854	5,102	22,708	60,993	7,520	14,460	21,980	-	82,973
Cost of goods sold	13,513	-	-	-	31	13,544	-	-	-	-	13,544
Scholarships and miscellaneous	60	-	-	-	42,003	42,063	7,484	2,328	9,812	-	51,875
Total functional expenses	$ 1,667,919	$ 1,199,075	$ 239,107	$ 377,507	$ 1,617,439	$ 5,101,047	$ 1,169,752	$ 656,540	$ 1,826,292	$ 147,863	$ 7,075,202

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

Positive Coaching Alliance

Statements of Cash Flows

For the years ended August 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ 3,326,446	$ 1,206,815
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	81,760	82,973
Gain from sale of fixed assets	-	(602)
Loss on money market funds	74	-
Contributions restricted for endowment	(10,000)	-
Bad debt expense	(53,663)	(20,017)
(Increase) decrease in:		
Promises to give	(1,937,061)	(661,737)
Accounts receivable and miscellaneous receivables	138,764	(148,645)
Inventory	(2,792)	8,672
Prepaid expense and other current assets	(39,385)	667
Other assets	(3,977)	(1,832)
Accounts payable	67,555	(58,292)
Deferred revenue	49,577	307,397
Accrued liabilities	(84,096)	159,668
Deferred rent	451	(17,038)
Net cash provided by operating activities	1,533,653	858,029
Cash flows from investing activities:		
Purchases of equipment	(108,576)	(75,969)
Proceeds from sale equipment	-	2,949
Net cash used in investing activities	(108,576)	(73,020)
Net increase in cash and cash equivalents	1,425,077	785,009
Cash and cash equivalents, beginning of year	1,825,661	1,040,652
Cash and cash equivalents, end of year	$ 3,250,738	$ 1,825,661

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 epidemic" 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.

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.

Partnership Sales

It is the goal of Partnership Sales 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.

Continued

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

Nature of Business, continued

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.

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 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, 2015 and had no permanently restricted assets at August 31, 2014.

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.

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.

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.

2. Money Market Fund

The money market fund for August 31, 2015 and 2014 had a fair value of $524,144 and $524,218, respectively. Brokerage accounts are insured by the Security Investor Protection Corporation for up to $500,000.

3. Promises to Give

Promises to give at August 31, 2015 and 2014 are expected to be collected as follows:

	2015	2014
Received within 1 year	$ 3,231,523	$ 1,594,816
Received beyond 1 year	1,163,215	847,861
Allowance for uncollectible accounts	(16,000)	(16,000)
	$ 4,378,738	$ 2,426,677

4. 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 for up to $250,000 per financial institution.

Cash balances in excess of insured limits amount to $2,772,943 and $1,580,335 as of August 31, 2015 and 2014, respectively.

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. Positive Coaching Alliance does not currently provide a matching contribution.

Continued

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, 2015				
Special Events	Revenue	Cost of Direct Benefit to Donors	Other Direct Expenses	In-Kind Donated Items Donors	Net
NYSA Dinner	$ 482,260	$ (52,555)	$ (100,300)	$ (23,091)	$ 306,314
SF Bay Area	47,829	(2,000)	(6,417)	(2,978)	36,434
Cleveland	52,409	(8,500)	(5,508)	(2,946)	35,455
Minnesota	88,532	(8,350)	(11,215)	(115)	68,852
Sacramento	36,186	(2,880)	(10,100)	(9,620)	13,586
Chicago	97,160	(10,450)	(19,400)	-	67,310
North Texas	31,360	(3,052)	(4,198)	-	24,110
Colorado	11,200	(600)	(10,038)	(2,350)	(1,788)
Houston	144,125	(7,800)	(11,332)	-	124,993
Tampa Bay	26,650	(1,880)	(9,095)	-	15,675
Hawaii	52,238	(8,880)	(10,317)	(3,788)	29,253
Total events	$ 1,069,949	$ (106,947)	$ (197,920)	$ (44,888)	$ 720,194

	For the Year Ended August 31, 2014				
Special Events	Revenue	Cost of Direct Benefit to Donors	Other Direct Expenses	In-Kind Donated Items Donors	Net
NYSA Dinner	$ 495,720	$ (57,567)	$ (87,416)	$ (30,339)	$ 320,398
SF Bay Area	140,865	(26,441)	(7,772)	(7,973)	98,679
Cleveland	81,789	(8,165)	(8,843)	(8,741)	56,040
Minnesota	98,243	(4,550)	(33,707)	(29,659)	30,327
Sacramento	70,035	(12,410)	(13,387)	(3,335)	40,903
Chicago	64,400	(8,790)	(8,930)	-	46,680
New England	63,306	(2,856)	(7,700)	-	52,750
North Texas	52,545	(4,806)	(1,329)	-	46,410
Colorado	43,040	(10,958)	(7,578)	-	24,504
Houston	191,825	(11,320)	(19,355)	(1,750)	159,400
Total events	$ 1,301,768	$ (147,863)	$ (196,017)	$ (81,797)	$ 876,091

Continued

7. Fixed Assets

Fixed assets consist of the following:

	2015	2014
Computer equipment	$ 261,511	$ 227,193
Software	175,084	173,584
Office equipment	57,864	53,184
Leasehold improvements	9,781	9,781
Website design	298,929	230,850
	803,169	694,592
Less accumulated depreciation	(651,909)	(570,148)
	$ 151,260	$ 124,444

Depreciation expense for the years ended August 31, 2015 and 2014 was $81,760 and $82,973, respectively.

8. In-kind Contributions

In-kind contributions for the year ended August 31, 2015 and 2014 are as follows:

	2015	2014
Promotional and special event items	$ 41,501	$ 65,083
Professional services	12,060	18,688
Use of facilities	21,931	55,800
Online advertising services	112,260	-
Total in-kind donations	$ 187,752	$ 139,571

9. Leases

PCA leased office space expiring between December 31, 2015 and April 30, 2022. Future minimum lease payments under these leases are as follows:

Fiscal year ending August 31:	Amount
2016	$ 254,277
2017	232,042
2018	220,236
2019	220,869
2020	229,784
Thereafter	402,964
	$ 1,560,172

Continued

9. **Leases**, continued

Rental expense and sublease rental income for the year ended August 31, 2015 was $310,334 and $6,255, respectively. Rental expense and sublease rental income for the year ended August 31, 2014 was $274,353 and $6,090, respectively.

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted as follows:

Program	2015	2014
Expansion and operating	$ 4,496,871	$ 2,801,082
Program delivery	1,604,923	308,094
Total	$ 6,101,794	$ 3,109,176

Temporarily restricted net assets released from restriction were as follows:

Program	2015	2014
Expansion and operating	$ 1,660,274	$ 2,031,296
Program delivery	1,478,867	349,368
Total	$ 3,139,141	$ 2,380,664

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 (UPMIFA) 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.

Continued

12. Scholarships

In September 2014, PCA identified 115 winners of the Triple-Impact Competitor® scholarships award for $160,500. The scholarships were paid in early summer of 2014 with the exception of the Sacramento scholarship winners. In Sacramento, the winners of the Triple-Impact Competitor® scholarships award were identified in August 2015 and will be paid in spring 2016. Scholarships totaling $7,500 were included in accrued liabilities as of August 31, 2015 for the Sacramento winners. For August 31, 2014, PCA did not identify scholarship winners until September 2014 and therefore no scholarships were included in accrued liabilities as of August 31, 2014.

13. Line of Credit

On November 21, 2014, PCA entered into a secured line of credit with First Republic Bank for $300,000 with an interest rate of 3.25% due on September 4, 2015. Subsequent to year end the maturity date of this line of credit was renewed to November 4, 2016 (see Note 17). The line of credit includes certain financial covenants. As of August 31, 2015, no balance is outstanding on the line of credit.

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, 2015.

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.

Continued

14. Fair Value Measurement, continued

The following table summarizes PCA's financial assets measured at fair value on a recurring basis as of August 31, 2015 and 2014:

	2015			
	Level 1	Level 2	Level 3	Total
Money market accounts	$ 524,144	$ -	$ -	$ 524,144
Beneficial interest in assets held by others	-	10,000	-	10,000
Total	$ 524,144	$ 10,000	$ -	$ 534,144

	2014			
	Level 1	Level 2	Level 3	Total
Money market accounts	$ 524,218	$ -	$ -	$ 524,218

15. Concentrations

Promises to Give

At August 31, 2015, three donors accounted for 61% of gross promises to give, all of which were temporarily restricted. At August 31, 2014, two donors accounted for 49% of gross promises to give, all of which were temporarily restricted.

Contribution Support

For the year ended August 31, 2015, PCA received approximately 37% of its contribution support from two donors. For the year ended August 31, 2014, PCA received approximately 35% of its contribution support from two donors.

Continued

16. 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, 2015 are as follows:

Tom Lewis	Pledge for Phoenix operating expenses	$	100,000
Bob Graham	Matching pledge for 3rd party workshop scholarships for Houston		49,827
Warren Lichentenstein	Seed funding for Los Angeles Chapter		98,341
Warren Lichentenstein	Seed funding for New York Chapter		150,000
Harold K.L. Castle Foundation	Seed funding for Hawaii Chapter		30,000
Bob Graham	Seed funding for Central Texas Chapter		200,000
		$	628,168

17. Subsequent Events

PCA evaluated subsequent events for recognition and disclosure through December 17, 2015, the date which these financial statements were available to be issued. Subsequent to year end the line of credit was renewed with similar terms and a new maturity date of November 4, 2016. Management concluded that no material subsequent events have occurred since August 31, 2015 that require recognition or disclosure in these financial statements.