

COACHING CORPS

DECEMBER 31, 2015

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

Coaching Corps

Independent Auditors' Report and Financial Statements

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Independent Auditors' Report

THE BOARD OF TRUSTEES
COACHING CORPS
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the **COACHING CORPS (the Organization)** which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 of 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 auditor's 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 auditor considers internal control relevant to the Organization'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 Organization'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.

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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 the Coaching Corps as of December 31, 2015, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 19, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
August 11, 2016

Coaching Corps

Statement of Financial Position

<i>December 31, 2015 (with comparative totals for 2014)</i>	2015	2014
Assets		
Cash and cash equivalents	\$ 1,567,023	\$ 930,513
Pledges and grants receivable, net	280,709	611,556
Prepaid expenses and other assets	103,100	62,078
Investments	1,209,617	2,358,078
Property and equipment, net	11,468	23,456
Total assets	\$ 3,171,917	\$ 3,985,681
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 378,413	\$ 404,270
Total liabilities	378,413	404,270
Net Assets:		
Unrestricted	1,786,121	2,566,034
Temporarily restricted	1,007,383	1,015,377
Total net assets	2,793,504	3,581,411
	\$ 3,171,917	\$ 3,985,681

See accompanying notes to financial statements.

Coaching Corps

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2015 (with comparative totals for 2014)

	2015			2014 Total
	Unrestricted	Temporarily Restricted	Total	
Support and Revenue:				
Contributions	\$ 1,658,637	\$	\$ 1,658,637	\$ 1,526,155
Foundations	20,000	1,580,673	1,600,673	1,827,206
Government grants	-			
Events	68,443	318,400	386,843	260,500
Interest and dividends	24,578		24,578	31,857
In kind contributions	-		-	176
Other income	2,142		2,142	15,023
Net assets released from restrictions	1,907,067	(1,907,067)		
		-		
Total support and revenue	3,680,867	(7,994)	3,672,873	3,660,917
Expenses:				
Programs	3,659,699		3,659,699	3,135,782
General and administrative	319,202		319,202	258,680
Fundraising	474,463		474,463	407,883
Total expenses	4,453,364		4,453,364	3,802,345
Change in Net Assets from Operations	(772,497)	(7,994)	(780,491)	(141,428)
Net Gain (Loss) on Investments	(7,416)		(7,416)	7,655
Total Change in Net Assets	(779,913)	(7,994)	(787,907)	(133,773)
Net Assets - beginning of year	2,566,034	1,015,377	3,581,411	3,715,184
Net Assets - end of year	\$ 1,786,121	\$ 1,007,383	\$ 2,793,504	\$ 3,581,411

See accompanying notes to financial statements.

Coaching Corps

Statement of Functional Expenses

Year Ended December 31, 2015 (with comparative totals for 2014)

	Program Services					Supporting Services			2015 Total	2014 Total
	Program Leadership	Public Education & Communications	Technology	Organizational Impact	Total	General & Administrative	Fund Development	Total		
Salaries and Wages	\$ 1,393,833	\$ 267,524	\$ 278,131	\$ 198,859	\$ 2,138,347	\$ 201,223	\$ 207,829	\$ 409,052	\$ 2,547,399	\$ 2,204,413
Payroll Taxes	98,954	19,435	20,150	13,777	152,316	14,580	14,956	29,536	181,852	149,647
Employee Benefits	202,857	39,054	39,372	29,982	311,265	33,098	30,442	63,540	374,805	310,267
Accounting and Audit	2,604	508	579	398	4,089	26,603	412	27,015	31,104	33,349
Bank Fees	11,784	2,311	2,386	1,615	18,096	1,781	1,766	3,547	21,643	19,044
Conference and Meeting	5,926	883	863	1,695	9,367	2,525	1,072	3,597	12,964	5,643
Consultants	83,952	94,875	291,839	269	470,935	3,864	27,130	30,994	501,929	381,861
Depreciation and Amortization	6,069	1,194	1,223	855	9,341	1,057	907	1,964	11,305	8,036
Organizational Development	18,048	1,068	1,328	1,665	22,109	550	6,680	7,230	29,339	149,684
Equipment Rental	14,182	2,724	5,653	1,940	24,499	8,173	2,949	11,122	35,621	41,756
Events	-	59,095	-	-	59,095	-	146,658	146,658	205,753	28,281
Insurance	7,787	1,529	1,351	1,028	11,695	1,149	1,100	2,249	13,944	12,700
Legal Fees	-	-	-	-	-	7,415	-	7,415	7,415	2,579
Materials	21,511	500	-	134	22,145	-	325	325	22,470	29,775
Networking and Collaborations	3,026	1,735	231	5	4,997	476	1,475	1,951	6,948	5,025
Occupancy	65,368	10,308	10,669	7,416	93,761	7,740	7,966	15,706	109,467	113,102
Office Supplies	5,160	908	939	648	7,655	874	1,204	2,078	9,733	13,457
Postage and Delivery	2,714	276	212	224	3,426	267	1,359	1,626	5,052	6,739
Printing and Copying	8,848	6,854	83	56	15,841	48	2,209	2,257	18,098	17,323
Telephone, Internet and Website	84,843	733	2,722	434	88,732	2,132	232	2,364	91,096	87,032
Training and Coaching	35,440	5,990	56,096	4,486	102,012	4,539	5,541	10,080	112,092	112,559
Travel and Parking	70,787	8,094	5,756	5,339	89,976	1,108	12,251	13,359	103,335	70,073
Total	\$ 2,143,693	\$ 525,598	\$ 719,583	\$ 270,825	\$ 3,659,699	\$ 319,202	\$ 474,463	\$ 793,665	\$ 4,453,364	\$ 3,802,345

See accompanying notes to financial statements.

Coaching Corps

Statement of Cash Flows

<i>Year Ended December 31, 2015 (with comparative totals for 2014)</i>	2015	2014
Cash Flows from Operating Activities:		
Change in net assets	\$ (787,907)	\$ (133,773)
Adjustments to reconcile change in net assets to cash flows used in operating activities:		
Depreciation and amortization	10,962	8,036
Net realized and unrealized loss (gain)	7,416	(7,655)
Donated stocks	(1,524)	(61,841)
Changes in operating assets and liabilities:		
Pledges and grants receivable	330,847	130,331
Prepaid expenses and other assets	(41,022)	(36,091)
Accounts payable and accrued expenses	(25,858)	96,770
Cash flows used in operating activities	(507,086)	(4,223)
Cash Flows from Investing Activities:		
Proceeds from sale of investments	1,142,570	1,623,920
Purchases of investments	-	(2,381,734)
Purchases of equipment	-	(19,998)
Gain on sale of assets	1,026	-
Cash flows provided by (used in) investing activities	1,143,596	(777,812)
Net Change in Cash and Cash Equivalents	636,510	(782,035)
Cash and Cash Equivalents, beginning of period	930,513	1,712,548
Cash and Cash Equivalents, end of period	\$ 1,567,023	\$ 930,513

See accompanying notes to financial statements.

Coaching Corps

Notes to Financial Statements

Note 1 - Description of the Organization:

Coaching Corps (the Organization) works to improve the physical, social and emotional outcomes for young people living in struggling communities through the power of service and sports. The Organization recruits, trains and supports dedicated volunteers committed to eliminating the disparities in access to high-quality organized sports opportunities for youth living in low-income communities.

The Organization has a vision of a world where all young people have caring adults surrounding them, pushing them to learn new skills, make new friends, and live healthy, productive lives. The Organization's volunteer coaches fill a simple and powerful universal need that all young people have – someone to show them how to believe in themselves.

To date, over 7,500 of the Organization's coaches have coached 75,000 young people in underserved communities throughout California, and in Atlanta, Boston, and Baltimore. The Organization provides afterschool providers with trained volunteer coaches from colleges and communities so they can develop high-quality programs that use sports as a vehicle to change the game for the young people they serve. The Organization's volunteers are trained in youth development principles and coaching practices to teach life lessons, build character, and sharpen skills for youth both on and off the field. Additionally, the Organization identifies and encourages best practices and policies while advocating for public and private support and investment in youth sports.

The Organization is building a prominent, influential and vocal movement of volunteers and advocates that support youth sports for all kids, regardless of race, gender or income.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

b. Description of Net Assets

The Organization reports information regarding its financial position and activities according to their class of net assets.

Permanently Restricted Net Assets – This portion of net assets for which use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can otherwise be removed by actions of the Organization. There are no permanently restricted net assets.

Coaching Corps

Notes to Financial Statements

Temporarily Restricted Net Assets – The portion of net assets for which use by The Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization.

Unrestricted Net Assets – The portion of net assets that is neither temporarily nor permanently restricted by donor-imposed stipulations.

c. Cash and Cash Equivalents

For financial statement purposes, the Organization considers its deposits and money market funds with a maturity of three months or less to be cash equivalents.

d. Pledges and Grants Receivable

Pledges and grants are recorded when an unconditional promise to give is received. Management believes all amounts are fully collectible.

e. Investments

Investments primarily consist of corporate and government bond funds. The corporate and government bond funds are valued at fair market value based upon quoted market prices.

The change in the value of investments resulting from fluctuations in fair values is recorded in the Statement of Activities and Changes in Net Assets and is considered to be non-operating income.

f. Fair Value Measurements

The Organization classifies its financial assets and liabilities measured at fair value (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) on a recurring basis based on a fair value hierarchy with three levels of inputs. Level 1 values are based on unadjusted quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect The Organization's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the assets and liabilities measured at fair value.

Coaching Corps

Notes to Financial Statements

g. Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the asset, generally 3 - 5 years. Leasehold improvements are recorded at cost and amortized using the straight-line method over the life of the lease.

h. Revenue Recognition

Unconditional promises to give are recorded at their fair value when the promise is made. Contributions received are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions.

Donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the same year in which the contributions are recognized.

Government grants and revenue are recognized when the Organization incurs expenditures related to the required services.

i. Functional Expenses

Direct expenses are charged to the related program or supporting services. Non direct costs have been allocated to the programs and supporting services benefited, based upon estimates by management.

j. Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from California tax under Section 23701(d) of the Revenue Taxation Code.

The Organization follows the guidance of Accounting for Uncertainty in Income Taxes issued by the Financial Accounting Standards Board. As of December 31, 2015, management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax exempt status and had taken no uncertain tax positions that required adjustment to the financial statements.

Coaching Corps

Notes to Financial Statements

k. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Certain reclassifications have been made to the prior year financial statements in order for them to conform to current year presentation. These reclassifications had no effect on net assets or change in net assets.

m. Subsequent Events

The Organization has reviewed the changes in net assets for the period of time from December 31, 2015 through August 11, 2016, the date the financial statements are available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor subsequent events have occurred, the nature of which would require disclosure.

Note 3 - Pledges and Grants Receivable:

Pledges and grants receivable, as of December 31, 2015 and 2014, are expected to be received in:

	2015	2014
Less than one year	\$ 280,709	\$ 511,556
One year to five years	-	100,000
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	\$ 280,709	\$ 611,556

Coaching Corps

Notes to Financial Statements

In 2011, the Organization received a five-year challenge grant in the amount of \$5 million. \$3,839,740 and \$2,883,568 of this grant has been recognized as of December 31, 2015 and 2014, respectively. The balance of the grant may be earned over the next year, up to a maximum of \$1,160,260 (Note 10).

Note 4 - Investments:

Investments consist of the following at December 31:

	2015	2014
Corporate bond index fund	\$ 453,258	\$ 891,040
Corporate short-term exchange traded fund	627,600	1,217,459
U.S. government bond fund	128,759	249,579
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	\$ 1,209,617	\$ 2,358,078

All investments are measured at Level One.

Financial Instruments Not Measured at Fair Value

Some of the Organization's financial instruments are not measured at fair value on a recurring basis but nevertheless are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such assets and liabilities include: cash and cash equivalents, prepaid expenses and other assets, accounts payable and accrued expenses.

Note 5 - Property and Equipment:

Property and equipment consist of the following at December 31:

	2015	2014
Leasehold improvements	\$ 132,960	\$ 132,960
Computer and office equipment	178,699	179,724
Furniture and fixtures	45,317	45,317
	<hr/>	<hr/>
	356,976	358,001
Less: accumulated depreciation and amortization	(345,508)	(334,545)
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	\$ 11,468	\$ 23,456

Coaching Corps

Notes to Financial Statements

Note 6 - Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at December 31:

	2015	2014
Time restrictions – program and general operations	\$ 280,692	\$ 556,425
Program services	726,691	458,952
Total	\$ 1,007,383	\$ 1,015,377

Net assets were released from restrictions as follows:

	2015	2014
Time restrictions	\$ 1,241,905	\$ 1,267,976
Program services	665,162	390,223
Total	\$ 1,907,067	\$ 1,658,199

Note 7 - Employee Benefit Plans:

The Organization has a 401(k) defined contribution plan with matching employer contributions. For each participating employee who contributes a minimum of 3% of their salary, the Organization contributes matching up to 7% of the employee's salary. The Organization contributed \$120,242 and \$122,730 to the plan for the years ending December 31, 2015 and 2014, respectively.

Note 8 - Concentration of Risk:

The Organization has identified financial instruments which are subject to credit risk as cash, investments and pledges and grants receivable.

Periodically, throughout the year, the Organization has maintained balances in operation and money market accounts in excess of federally insured limit. Investments consist primarily of government and corporate bond funds.

All receivables consist of unsecured amounts due from individuals and foundations.

Coaching Corps

Notes to Financial Statements

Note 9 - Contingencies and Commitments:

The Organization leases office space under an operating lease through November 30, 2016.

The future minimum lease payment for the year ended December 31, 2016 is \$ 82,665.

The total lease expense under these leases was \$102,460 and \$126,694 for 2015 and 2014, respectively.

Note 10 - Related Party:

Two officers and one employee of a private foundation (the Foundation) who is a key contributor, are board members of the Organization. A board member is the president of the bank where the cash and investments are held.

In 2006, the Foundation awarded a \$5 million challenge grant to the Organization. The Organization earned the full amount over five years, with the final amount being received as of December 31, 2011. In 2011, the Foundation awarded a \$5 million 1:3 challenge grant to the Organization. The maximum amount in calendar year 2016 is \$1,160,260. In addition, the Foundation awarded a \$500,000 grant, payable over five years.