

COACHING CORPS

DECEMBER 31, 2020

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

Coaching Corps

Independent Auditors' Report and Financial Statements

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A Century Strong

Independent Auditors' Report

THE BOARD OF TRUSTEES
COACHING CORPS
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of **COACHING CORPS (the Organization)** which comprise the statement of financial position as of December 31, 2020 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.

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 Coaching Corps as of December 31, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
June 24, 2021

Coaching Corps

Statement of Financial Position

<i>December 31, 2020 (with comparative totals for 2019)</i>	2020	2019
Assets		
Cash and cash equivalents	\$ 1,489,304	\$ 1,460,692
Pledges and grants receivable, net	281,403	617,796
Prepaid expenses and other assets	68,952	229,110
Investments	1,977,578	2,080,627
Total assets	\$ 3,817,237	\$ 4,388,225
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 372,303	\$ 483,580
Loan Payable	452,099	-
Total liabilities	824,402	483,580
Net Assets:		
Without restrictions	2,775,747	2,509,086
With restrictions	217,088	1,395,559
Total net assets	2,992,835	3,904,645
Total liabilities and net assets	\$ 3,817,237	\$ 4,388,225

See accompanying notes to financial statements.

Coaching Corps

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2020 (with comparative totals for 2019)

	2020			2019 Total
	Without Restrictions	With Restrictions	Total	
Support and Revenue:				
Contributions	\$ 2,144,456	\$ 2,267	\$ 2,146,723	\$ 1,709,315
Foundations	94,542	618,556	713,098	1,733,385
Events	430,448	242,116	672,564	1,533,085
Investment income, net	97,374		97,374	129,033
Other income	33,535		33,535	107,469
Net assets released from restrictions	2,041,410	(2,041,410)	-	-
Total support and revenue	4,841,765	(1,178,471)	3,663,294	5,212,287
Expenses:				
Program services	3,364,248		3,364,248	4,461,355
General and administrative	506,685		506,685	443,432
Fundraising	704,171		704,171	978,832
Total expenses	4,575,104	-	4,575,104	5,883,619
Change in Net Assets	266,661	(1,178,471)	(911,810)	(671,332)
Net Assets - beginning of year	2,509,086	1,395,559	3,904,645	4,575,977
Net Assets - end of year	\$ 2,775,747	\$ 217,088	\$ 2,992,835	\$ 3,904,645

See accompanying notes to financial statements.

Coaching Corps

Statement of Functional Expenses

Year Ended December 31, 2020 (with comparative totals for 2019)

	Program Services					Supporting Services			2020 Total	2019 Total
	Program Leadership	Public Education & Communications	Technology	Organizational Impact	Total	General & Administrative	Fund Development	Total		
Salaries and Wages	\$ 1,447,424	\$ 247,334	\$ 154,973	\$ 29,600	\$ 1,879,331	\$ 339,980	\$ 267,099	\$ 607,079	\$ 2,486,410	\$ 2,789,894
Payroll Taxes	110,351	19,120	10,634	2,798	142,903	23,123	20,854	43,977	186,880	206,769
Employee Benefits	286,510	39,841	27,326	5,757	359,434	57,389	46,995	104,384	463,818	441,898
Accounting and Audit	-	-	-	-	-	33,570	-	33,570	33,570	35,400
Bank Fees	4,373	635	362	161	5,531	1,217	8,172	9,389	14,920	16,514
Conference and Meeting	3,254	2,308	236	104	5,902	2,108	968	3,076	8,978	16,443
Consultants	252,540	131,296	53,188	1,688	438,712	8,323	111,883	120,206	558,918	1,121,939
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	118
Equipment Rental	5,842	949	6,974	129	13,894	1,124	1,070	2,194	16,088	30,287
Events	-	160,059	-	-	160,059	-	214,937	214,937	374,996	512,611
Insurance	21,767	3,699	1,901	453	27,820	4,138	3,971	8,109	35,929	42,827
Legal Fees	6,439	1,487	603	34	8,563	1,359	1,335	2,694	11,257	11,218
Materials	4,462	-	-	-	4,462	-	-	-	4,462	15,352
Networking and Collaborations	19,410	191	30	344	19,975	985	198	1,183	21,158	65,452
Occupancy	116,682	11,123	5,771	1,349	134,925	12,577	12,051	24,628	159,553	134,888
Office Supplies	5,781	930	526	77	7,314	1,275	2,321	3,596	10,910	10,891
Organizational Development	7,574	1,268	811	-	9,653	1,843	1,228	3,071	12,724	60,456
Postage and Delivery	1,440	127	75	32	1,674	323	450	773	2,447	17,928
Printing and Copying	2,033	-	-	-	2,033	-	793	793	2,826	29,489
Telephone, Internet and Website	34,311	29,022	51,786	5,487	120,606	16,391	2,677	19,068	139,674	142,774
Training and Coaching	4,701	39	29	18	4,787	469	2,332	2,801	7,588	47,178
Travel and Parking	16,027	261	213	169	16,670	491	4,837	5,328	21,998	133,293
Total	\$ 2,350,921	\$ 649,689	\$ 315,438	\$ 48,200	\$ 3,364,248	\$ 506,685	\$ 704,171	\$ 1,210,856	\$ 4,575,104	\$ 5,883,619

See accompanying notes to financial statements.

Coaching Corps

Statement of Cash Flows

<i>Year Ended December 31, 2020 (with comparative totals for 2019)</i>	2020	2019
Cash Flows from Operating Activities:		
Change in net assets	\$ (911,810)	\$ (671,332)
Adjustments to reconcile change in net assets to cash flows used by operating activities:		
Change in discount	(17,476)	(28,554)
Depreciation	-	118
Net realized and unrealized loss	(70,830)	(77,616)
Donated stocks	(31,575)	(116,873)
Changes in operating assets and liabilities:		
Pledges and grants receivable	353,869	518,359
Prepaid expenses and other assets	160,158	230,170
Accounts payable and accrued expenses	(111,277)	64,586
Cash flows used by operating activities	(628,941)	(81,142)
Cash Flows from Investing Activities:		
Proceeds from sale of investments	944,678	196,478
Purchases of investments	(739,224)	(386,819)
Cash flows provided in investing activities	205,454	(190,341)
Cash Flows from Financing Activities:		
Proceeds from PPP Loan	452,099	-
Cash flows provided in investing activities	452,099	-
Net Change in Cash and Cash Equivalents	28,612	(271,483)
Cash and Cash Equivalents, beginning of year	1,460,692	1,732,175
Cash and Cash Equivalents, end of year	\$ 1,489,304	\$ 1,460,692

See accompanying notes to financial statements.

Coaching Corps

Notes to Financial Statements

Note 1 - Description of the Organization:

Coaching Corps (the Organization) is a movement of thousands of afterschool programs, college students, and community stakeholders committed to inspiring and mentoring youth in low-income neighborhoods through the power of sports with trained coaches. The Organization trains people to become sports coaches and then provides a trained workforce of coaches to afterschool programs serving low-income communities.

The Organization envisions a future where all kids—regardless of zip code—have access to compassionate coaches and mentors who are invested in their futures.

Time and time again, sports have been found to improve the physical, social and emotional health of young people. The Organization knows that the guidance of a well-trained coach can be a powerful tool for teaching important life lessons like perseverance, optimism, self-regulation and empathy. Through partnerships with afterschool programs, the Organization trains and connects volunteer coaches with youth to make these meaningful benefits a reality.

To date, the Organization has impacted over 200,000 youth living in underserved communities across the country through a caring, trained coach. The Organization has coaches in over 125 cities nationwide and has an ambitious goal to coach over 400,000 kids annually by 2023. The Organization's coaches are part of a national movement of thousands who are committed to increasing quality sports and mentorship opportunities for youth in underserved communities.

The Organization funds its operations through contributions.

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 (U.S. GAAP).

b. Description of Net Assets

The Organization reports information regarding its financial position and activities according to the absence or existence of donor-imposed restrictions.

Net Assets without restrictions – The portion of net assets that is are not subject to donor imposed restrictions.

Net Assets with restrictions – 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. The Organization has no permanently restricted net assets.

Coaching Corps

Notes to Financial Statements

c. Revenue Recognition

Unconditional promises to give are recorded at their fair value when the promise is made. Contributions and events revenue received are recorded as net assets with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Conditional promises to give are not included as support until the conditions are substantially met.

Management evaluates all outstanding pledges and grants receivable and makes an allowance for uncollectible accounts when necessary. Management discounts outstanding pledges and grants receivable based upon the applicable discount rate at the time of the pledges' origination.

d. 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.

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.

f. Fair Value Measurements

The Organization carries certain assets and liabilities at fair value. 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. The Organization classifies its financial assets and liabilities in one of the following three categories:

Level 1 Inputs are quoted prices unadjusted in active markets for identical assets or liabilities.

Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

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 shorter of the life of the asset or the life of the lease. All property and equipment is fully depreciated.

h. Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. 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 of full time equivalent basis of employee time considering the functional roles as determined by management.

i. 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 (FASB). As of December 31, 2020, 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.

j. Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

k. 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Coaching Corps

Notes to Financial Statements

1. Recent Accounting Pronouncements

Upcoming

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the required presentation for in-kind contributions. It will require separate presentation on the statement of activities and additional disclosure about how the in-kind gifts were utilized (in which program or part of management and general or fundraising), the valuation techniques employed, and whether donor restrictions are associated with the gifts. The ASU will be effective for the Organization's year ending December 31, 2022. The Organization is currently assessing the impact the adoption of this ASU will have on its financial statements.

m. Subsequent Events

The Organization has evaluated subsequent events from December 31, 2020 through June 24, 2021, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure except as discussed in Note 4.

Note 3 - **Pledges and Grants Receivable:**

Pledges and grants receivable, as of December 31, 2020 and 2019, are expected to be received as follows:

	2020	2019
Less than one year	\$ 150,000	\$ 492,074
One year to five years	-	150,000
	150,000	642,074
Less: discounts to net present value	(6,802)	(24,278)
Total	\$ 143,198	\$ 617,796

Contributions to be received after one year are discounted at a rate of 4.75%.

The Organization received a five-year 2017-2021 conditional challenge grant in the amount of \$5,000,000. \$4,000,000 of this grant had been recognized as of December 31, 2020 and \$570,847 was recognized for the year ended December 31, 2020. The balance of the grant may be earned over the next year, up to a maximum of \$1,000,000.(Note 11).

Coaching Corps

Notes to Financial Statements

Note 4 - Impact of Global Pandemic

On March 11, 2020, the World Health Organization publicly characterized COVID-19 as a pandemic. States of emergency have been declared in many federal, state and local jurisdictions and shelter in place orders have been instituted in many cities and states, including California, which impacted general business operations in most industries and sectors.

As a result of the pandemic the Organization transitioned to operating remotely. In addition, the majority of the Organization's revenue is derived from contributions and it is reasonably possible that it is vulnerable to the risk of a decline in contributions which may impact future coaching programs.

On April 29, 2020 the Organization received a Paycheck Protection Program (PPP) loan under the provisions of the Coronavirus, Aid, Relief, and Economic Security (CARES) Act, in the amount of \$452,099. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses, as defined in the PPP, generally payroll, payroll related costs and facilities costs. The Organization used the entire loan amount for qualifying expenses. Subsequent to year-end, on April 20, 2021, the Organization received notice of forgiveness by the U.S. Small Business Administration that the loan was forgiven in full.

Note 5 - Investments:

Investments consist of the following at December 31:

	2020	2019
Corporate bond index fund	\$ 1,414,068	\$ 1,403,820
Corporate short-term exchange traded fund	432,530	510,244
U.S. government bond fund	130,450	165,557
Donated Securities	530	1,026
	<hr/>	<hr/>
	\$ 1,977,578	\$ 2,080,647

Investment income consists of the following at December 31, 2020:

Interest and dividends	\$ 47,145
Net unrealized and realized gains	70,829
Investment expenses	(20,600)
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Total	\$ 97,374

All investments are measured at Level 1.

Coaching Corps

Notes to Financial Statements

Note 6 - Property and Equipment:

Property and equipment consist of the following at December 31:

	2020	2019
Leasehold improvements	\$ 132,960	\$ 132,960
Computer and office equipment	219,744	219,744
Furniture and fixtures	38,363	38,363
	<u>391,067</u>	<u>391,067</u>
Less: accumulated depreciation and amortization	(391,067)	(391,067)
	<u>\$ -</u>	<u>\$ -</u>

Note 7 - Net Assets with Donor Restrictions:

Net assets with restrictions are available for the following purposes at December 31:

	2020	2019
Time restrictions – program and general operations	\$ 143,198	\$ 367,922
Program services	73,890	1,027,637
	<u>\$ 217,088</u>	<u>\$ 1,395,559</u>

Net assets were released from donor restrictions as follows during the years ended December 31:

	2020	2019
Time restrictions	\$ 813,047	\$ 1,714,730
Program services	1,228,363	1,484,879
	<u>\$ 2,041,410</u>	<u>\$ 3,199,609</u>

Coaching Corps

Notes to Financial Statements

Note 8 - 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 a matching contribution up to 7% of the employee's salary. The Organization contributed \$143,841 and \$147,065 to the plan for the years ended December 31, 2020 and 2019, respectively.

Note 9 - 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.

The Board of Trustee's gifts to the Organization make up a significant portion of the contribution revenue. For the year ended December 31, 2020, contributions received from trustees amounted to approximately 39% of total revenue.

Note 10 - Commitments:

The Organization leases office space under an operating lease through November 30, 2021. In addition, the Organization maintains a lease for office equipment.

Future minimum lease payments are as follows:

Year Ending	
December 31,	
2021	\$ 105,820
2022	6,070
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Total	\$ 111,890

The total lease expense under these leases was \$158,929 and \$133,203 for 2020 and 2019, respectively.

Coaching Corps

Notes to Financial Statements

Note 11 - Related Party Transactions:

Two officers and one employee of a private foundation (the Foundation) who is a key contributor, are board members of the Organization.

In 2016, the Foundation awarded a five-year \$5,000,000 1:3 challenge grant to the Organization from 2017 to 2021. Through December 31, 2020, the Organization had earned the maximum \$4,000,000 including \$570,847 for the year ended December 31, 2020. The remaining \$1,000,000 to be earned on this conditional grant is excluded from outstanding receivables as of December 31, 2020.

Additionally, during 2016, the Organization received conditional promises to give from two officers totaling \$2,000,000 to be distributed over four to five years in support of general operations. The conditional promises to give are excluded from the outstanding receivables at year-end. As of December 31, 2020, the remaining balance of the conditional promises to give total \$150,000.

Note 12 - Availability of Financial Assets and Liquidity:

The following reflects the Organization's financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions. The Organization invests cash in excess of operating needs in its investment accounts.

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,489,304
Pledges and grants receivable, net	281,403
Investments	1,977,578
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Total financial assets	3,748,285
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Less those unavailable for general expenditures within one year:	
Restricted by donor for time or purpose beyond 2021	(217,088)
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Financial assets available to meet cash needs for general expenditures within one year	\$ 3,531,197
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The Organization's programs and operations are funded by contributions.