Positive Coaching Alliance

Financial Statements

December 31, 2025

Positive Coaching Alliance

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December 31, 2025

AAFCPAs
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Independent Auditor's Report

To the Board of Directors of
Positive Coaching Alliance:

Opinion

We have audited the financial statements of Positive Coaching Alliance (PCA), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the sixteen-month period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Positive Coaching Alliance as of December 31, 2025, and the changes in its net assets and its cash flows for the sixteen-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PCA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PCA’s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 PCA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about PCA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

AAFCPAs, Inc.

Boston, Massachusetts
May 7, 2026

Positive Coaching Alliance
Statement of Financial Position
As of December 31, 2025

Assets	
Current Assets	
Cash and cash equivalents	$ 4,839,441
Investments	9,092,213
Current portion of grants and pledges receivable	1,197,000
Accounts receivable, net	128,228
Prepaid expenses and other current assets	277,207
Total current assets	15,534,089
Property and Equipment, net	8,420
Beneficial Interest in Net Assets Held by Others	10,000
Right-of-Use Asset - Operating	254,738
Grants and Pledges Receivable, net of current portion and discount	719,922
Security Deposit and Other	27,077
Total assets	$ 16,554,246
Liabilities and Net Assets	
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	$ 927,323
Current portion of operating lease liability	99,552
Deferred revenue	1,043,761
Total current liabilities	2,070,636
Operating Lease Liability, net of current portion	156,723
Total liabilities	2,227,359
Net Assets	
Without donor restrictions	1,212,801
With donor restrictions	13,114,086
Total net assets	14,326,887
Total liabilities and net assets	$ 16,554,246

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

Positive Coaching Alliance
Statement of Activities and Changes in Net Assets
For the Sixteen-Month Period Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Grants and contributions	$ 6,764,240	$ 14,993,408	$ 21,757,648
Program service fees	3,775,185	-	3,775,185
Interest and other	618,675	-	618,675
In-kind contributions	543,184	-	543,184
Net assets released from restriction	5,527,904	(5,527,904)	-
Total support and revenues	17,229,188	9,465,504	26,694,692
Expenses			
Program	14,845,334	-	14,845,334
Fundraising	2,374,017	-	2,374,017
Management and general	1,682,689	-	1,682,689
Total expenses	18,902,040	-	18,902,040
Changes in net assets	(1,672,852)	9,465,504	7,792,652
Net assets, beginning of period	2,885,653	3,648,582	6,534,235
Net assets, end of period	$ 1,212,801	$ 13,114,086	$ 14,326,887

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

Positive Coaching Alliance
Statement of Functional Expenses
For the Sixteen-Month Period Ended December 31, 2025

		Supporting Services			
	Program	Fundraising	Management and General	Total Supporting Services	Total
Salaries and Related					
Salaries and related expenses	$ 8,350,348	$ 1,071,933	$ 782,170	$ 1,854,103	$ 10,204,451
Payroll taxes and employee benefits	2,009,259	274,299	200,156	474,455	2,483,714
Total salaries and related	10,359,607	1,346,232	982,326	2,328,558	12,688,165
Professional and consulting fees	1,675,989	292,390	195,012	487,402	2,163,391
Travel and entertainment	1,085,718	325,529	16,627	342,156	1,427,874
Equipment and software costs	343,770	54,185	365,662	419,847	763,617
Marketing	594,476	161,080	501	161,581	756,057
Administrative fees	288,098	56,880	90,723	147,603	435,701
Occupancy	154,861	23,669	15,082	38,751	193,612
Event facility rental	83,782	89,433	-	89,433	173,215
Insurance	107,766	13,138	9,632	22,770	130,536
Other	77,232	11,481	6,569	18,050	95,282
Scholarships and awards	62,857	-	555	555	63,412
Depreciation	11,178	-	-	-	11,178
Total expenses	$ 14,845,334	$ 2,374,017	$ 1,682,689	$ 4,056,706	$ 18,902,040

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

Positive Coaching Alliance
Statement of Cash Flows
For the Sixteen-Month Period Ended December 31, 2025

Cash Flows from Operating Activities	
Change in net assets	$ 7,792,652
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	11,178
Unrealized gain on investments	(41,576)
(Increase) decrease in operating assets and liabilities	
Grants and pledges receivable	861,511
Accounts receivable	(78,676)
Security deposits and other	(11,254)
Accounts payable and accrued expenses	23,026
Deferred revenue	27,496
Right-of-use asset and related lease liability	3,644
Prepaid expenses and other current assets	(146,549)
Net cash provided by operating activities	8,441,452
Cash Flows from Investing Activities	
Purchase of investments	(7,585,622)
Net Increase in Cash and Cash Equivalents	855,830
Cash and Cash Equivalents, beginning of period	3,983,611
Cash and Cash Equivalents, end of period	$ 4,839,441

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

1. Operations and Nonprofit Status

Operations

Positive Coaching Alliance (PCA) is a national nonprofit transforming youth sports into a platform for individual growth, social connection, and community strength. We believe that when sports are done right, they foster belonging, bridge socio-economic divides, and help young people develop the physical, emotional, and social skills they need to thrive - on and off the field.

Headquartered in the San Francisco Bay Area, PCA's footprint extends across all 50 states with 60 staff, 150 experienced trainers, an active and engaged governing board, and an alliance of advisory and local boards, leadership councils, community-based youth sport coalitions, and national and corporate partners.

Our mission goes beyond mere participation - we aim to change the culture of youth sports so that every child can enjoy the benefits of a positive youth sports experience. PCA addresses both access and quality gaps and sets new standards for youth sports across the United States, partnering with school districts, youth sports organizations, and community-based organizations to provide them with the tools and training necessary to harness the power of sport for positive youth development and ensure that kids in under resourced communities have access to the transformational benefits of sport participation.

PCA advances its mission by addressing access and quality gaps and setting new standards for youth sports across the United States. We focus on three key strategies:

- Training, recruiting, and supporting coaches to provide young people with positive youth sports experiences.
- Increasing access to youth sports by forging alliances with under-resourced communities.
- Partnering with school districts, youth sports organizations, and community-based programs to improve their youth sports culture.

PCA trains coaches directly through partnerships with schools, youth sports organizations, parks and recreation agencies, national governing bodies, afterschool programs, and community organizations. Our research-backed interactive in-person and virtual coach trainings - grounded in positive youth development and socio-emotional learning - are complemented by mobile on-demand tools to support hundreds of thousands of coaches. Fifty percent of the coaches PCA trains are coaching kids from under-resourced communities.

Through partnerships, PCA also trains youth sports programs and school administrators, student-athletes, parents, and officials to develop a positive youth sports culture in the place where coaching happens.

This local community-based approach is complemented by a top-down national strategy that includes partnerships with professional sports leagues, governing bodies, and national youth sports organizations designed to reach more coaches and to increase the awareness of the benefits of a positive youth sports experience and of the urgent need to reduce the sports participation gap for youth residing in under-resourced communities.

1. Operations and Nonprofit Status (Continued)

PCA collaborates closely with community leaders in under-resourced communities to identify ways to make youth sports more accessible. Using local data, PCA and its partners analyze the nature of the sports participation gap and the underlying conditions that sustain it.. Based on this data, PCA and community leaders co create interventions tailored to the unique strengths and challenges of the community and then assist in the implementation.

By the conclusion of 2027, PCA will have made progress towards its mission with the following results:

- Over 7 million young people will learn essential life skills, practice new athletic competencies, and develop confidence, teamwork, empathy, pride in belonging, resilience, and belief in their best selves, through their sports experience.
- There will be nearly half a million more trained coaches who have research-backed skills and tools to provide kids with the life changing benefits of a positive youth sports experience.
- The sports participation gap will be narrowed. More kids from low-income neighborhoods will participate and stay involved in sports. There will be a greater number of youth sports coaches who have similar lived experiences as the kids they coach. Leaders in historically marginalized and under-resourced communities will have the support, tools, and strategies needed to drive efforts that expand access to youth sports in their communities. Communities will harness the power of youth sports to improve young people's physical health outcomes, mental health outcomes, academic success, character development, and personal growth - critical building blocks for a healthy next generation.
- The culture of youth sports will transform. More leaders across the sports ecosystem will understand how to build accessible, healthy, and affirming youth sports environments for kids, and PCA will see a positive transformation in the "win-at-all-costs" mentality of youth sports.

Program Description

PCA's unified program integrates Partnership Engagement and Fulfillment, Program Expansion and Enhancement, and Community and Coach Engagement into a comprehensive approach to transforming the culture of youth sports. PCA partners with organizations to deliver training, workshops, and ongoing support to coaches, parents, and athletes to foster a positive, inclusive, and character-building sports environment.

Building on this foundation, the program advances PCA's mission by continuously enhancing and expanding its offerings. This includes developing new initiatives, refining existing programming, and advocating for systemic change to ensure youth sports prioritize access and positive development outcomes.

At the community level, the program emphasizes outreach, collective action, community engagement, and awareness-building efforts to advance community-defined strategies that expand access to youth sports. By engaging directly with underserved communities and equipping coaches with the tools and training they need, PCA ensures that all youth have access to high-quality sports experiences.

Through this integrated model, PCA aligns its partnerships, innovation efforts, and community engagement to drive lasting impact and create a more accessible and positive youth sports landscape.

1. Operations and Nonprofit Status (Continued)

Non Profit Status

PCA is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). PCA is also exempt from state income taxes. Donors may deduct contributions made to PCA within IRC requirements.

2. Summary of Significant Accounting Policies

Change in Fiscal Year-End

During the year ended December 31, 2025, PCA changed its fiscal year-end from August 31 to December 31. As a result, the current reporting period reflects a sixteen-month period from September 1, 2024, through December 31, 2025. This change was made to better align PCA's financial reporting period with its operating and funding cycles.

Basis of Accounting

The financial statements of PCA are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Cash and Cash Equivalents

For the purpose of the statement of cash flows, PCA considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents consist of checking and money market accounts in the accompanying statement of financial position.

PCA maintains its cash balances in financial institutions in the United States. Balances at the institution are insured by the Federal Deposits Insurance Corporation (FDIC) at each bank up to $250,000 per financial institution. Brokerage accounts are insured by the Security Investor Protection Corporation for up to $500,000. PCA has not experienced any losses in these accounts and management believes PCA is not exposed to any significant credit risk on its cash and cash equivalents.

Grants and Pledges Receivable and Allowance for Doubtful Accounts

Unconditional promises to give that are expected to be collected within one year are recorded at fair value at the date the promise is received and included in grants and pledge receivable. Unconditional promises to give that are expected to be collected in the future years are recorded at the present value of their estimated future cash flows, net of allowance for doubtful accounts, if any. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received.

2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are generated from program services related to training workshops and other programming provided through partnerships with schools, youth sports organizations, parks and recreation agencies, national governing bodies, afterschool programs, and other community-based organizations. Accounts receivable are recorded at the amount of consideration to which PCA expects to be entitled in exchange for providing services under contracts with customers and are stated net of an allowance for credit losses.

Accounts receivable represent unconditional rights to consideration as PCA has satisfied its performance obligations and only the passage of time is required before payment is due. No significant financing components or material rights of return are included in PCA's contracts.

The allowance for credit losses represents management's estimate of expected credit losses over the contractual term of the receivables and is determined in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 326, *Financial Instruments - Credit Losses*. The estimate is based on historical collection experience, aging of receivable balances, known trends with program partners, and current conditions affecting PCA's customers' ability to pay.

PCA writes off receivables when there is information that indicates the corporate partner or customer is facing significant financial difficulty or after several attempts at collection of a very old receivable from a non-renewing customer and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with PCA's accounting policy election.

The allowance for credit losses was $56,957 as of December 31, 2025.

Property, Equipment and Depreciation

PCA capitalizes all property and equipment purchases in excess of $5,000. Property and equipment are stated at cost or at fair value on the date of receipt in the case of donated property. Depreciation is computed using the straight-line method over the estimated useful lives of the equipment, which range from three to five years. The cost of maintenance and repairs are expensed as incurred.

Beneficial Interest in Assets Held by Others

PCA has established an endowment fund at The Community Foundation of Tampa Bay (CFTB) and has transferred the related assets to CFTB to be held and invested on its behalf. Although CFTB maintains variance power over the use and investment of the assets, PCA is the named beneficiary of the endowment fund and is entitled to distributions in accordance with the endowment agreement.

PCA's interest in the endowment fund is reported as a beneficial interest in assets held by others and is measured at the fair value of the underlying assets as reported by CFTB. Changes in the fair value of the beneficial interest are recognized in the statement of activities and changes in net assets as increases or decreases in net assets with donor restrictions, unless and until any donor imposed restrictions are satisfied.

2. Summary of Significant Accounting Policies (Continued)

Beneficial Interest in Assets Held by Others (Continued)

Distributions received from CFTB are recognized as investment income or support, as applicable, in the period received and classified in net assets in accordance with the purpose or time restrictions, if any, imposed by the original donors.

Leases

PCA determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. PCA determines these assets are leased because PCA has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

In evaluating its contracts, PCA separately identifies lease and non-lease components such as common area and other maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its office space and equipment. PCA has elected the practical expedient to combine lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. PCA determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. PCA uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, PCA uses the risk free rate or incremental borrowing rate based on the information available at the lease commencement date to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that PCA is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. PCA has elected not to record leases with an initial term of twelve months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Grants and Contributions

In accordance with ASC 2018-08, *Not-for-Profit Entities* (Topic 958)*: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,* PCA recognizes grants and contributions when unconditionally pledged or received. PCA reports gifts of cash or other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, 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.

In accordance with Topic 958, PCA must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that PCA should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advances until such conditions are met. PCA recorded conditional grant advances of $84,656 at December 31, 2025, which are included in accounts payable and accrued expenses in the accompanying statement of financial position.

Program Service Revenue

In accordance with FASB’s Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), PCA uses a five-step model for recognizing and measuring revenue from contracts with customers, which includes 1) identifying the contract with the customer, 2) identifying the performance obligation(s) promised within the contract, 3) determining the transaction price (the amount of consideration to which the Center expects to be entitled), 4) allocating the transaction price to the performance obligations, and 5) recognizing revenue when (or as) the performance obligations are satisfied.

PCA assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. The contract term can differ from the stated term in contracts that include certain termination or renewal rights, depending on whether there are penalties associated with those rights. Customer contracts generally are standardized and non-cancellable for the duration of the stated contract term. Because PCA’s performance obligations relate to contracts with a duration of less than one year, PCA elected to apply the optional exemption provided in Topic 606. Therefore, it is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Program service fees include online workshops, local and national partnerships, consulting fees and participant fees. Online workshops, local and national partnerships, and participant fees only include one performance obligation that is satisfied simultaneously as customers receive the services at a point in time. Consulting fees are recognized over the period of the contract term.

Reimbursements that are billed to clients in a fixed-fee arrangement are included in the estimation of the total transaction price. Reimbursable expenses are recognized as expenses in the period in which the expenses incurred.

PCA has elected the practical expedient that permits an entity not to recognize a significant financing component if the time between the transfer of a good or service and payment is one year or less. PCA does not enter into contracts in which the period between payment by the customer and the transfer of the promised goods or services to the customer is greater than twelve months.

The timing of revenue recognition may not align with the right to invoice the customer. PCA records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (unearned revenue) also is recorded. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded.

Accounts receivable and deferred revenue from exchange transactions were $49,553 and $1,109,142, respectively, at September 1, 2024.

Deferred Revenue

Deferred revenue consists of amounts billed and received in excess of program service revenue recognized. Deferred revenues are subsequently recorded as program service revenue when earned in accordance with PCA's revenue recognition policies. Deferred revenue as of December 31, 2025, is expected to be recognized in 2026.

In-Kind Contributions

PCA receives donated goods and services in support of various aspects of its programs. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and must otherwise be purchased by PCA. Unless otherwise noted, in-kind contributions did not have donor restrictions.

The in-kind contributions were used to help communicate PCA’s mission by promoting PCA’s advertising efforts in public online searches and are included in the program marketing functional expense allocation. The in-kind contributions are reported at fair value based on the value provided by the vendor for the promotional and special event items and the professional services provided by the provider if paid directly, the invoices provided from the advertising service for the services rendered, or the fair market value of donated merchandise provided by the donor.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

In-kind contributions for the sixteen-month period ended December 31, 2025, included:

Promotional and special event items	$ 299,456
Other	182,220
Professional services	61,508
Total in-kind contributions	$ 543,184

All other revenue is recorded when it is earned.

Net Assets

Net assets are categorized as follows:

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by PCA.

Net assets with donor restrictions represent contributions that are designated by donors for specific purposes or time periods. These contributions are recorded as net assets with donor restrictions until they are expended for their designated purposes or time period lapses.

Fair Value Measurements

PCA follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that PCA would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

PCA uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of PCA. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

2. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

Investments

Investments consist of short term U.S. Treasury bonds and short term U.S. Treasury bills. These investments are measured at fair value using Level 1 inputs, as their valuations are based on unadjusted quoted prices in active markets. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date.

Income Taxes

PCA accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. PCA has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2025. PCA's information returns are subject to examination by the Federal and state jurisdictions.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (Continued)

Expense Allocation

Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits and payroll taxes; occupancy; depreciation; insurance; and certain travel and indirect operating expenses. These expenses are allocated on the basis of estimated time and effort by employees.

Advertising Costs

PCA's policy is to expense advertising costs as incurred. Advertising expense was $28,052 for the sixteen-month period ended December 31, 2025, and is included in marketing expense in the accompanying statement of functional expenses.

Subsequent Events

Subsequent events have been evaluated through May 7, 2026, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. Liquidity and Availability of Financial Assets

Financial assets available for use by PCA within one year from the statement of financial position date are as follows as of December 31:

Cash and cash equivalents	$ 4,839,441
Investments	9,092,213
Current portion of grants and pledges receivable	1,197,000
Accounts receivable	128,228
	15,256,882
Less - net assets with donor restrictions subject to expenditure for program and workshop purposes	12,369,086
Financial assets available to meet cash needs for general expenditures within one year	$ 2,887,796

PCA manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. PCA also has a $500,000 line of credit available for liquidity needs (see Note 6).

4. Grants and Pledges Receivable

Grants and pledges receivable are expected to be collected as follows as of December 31, 2025:

Within one year	$ 1,197,000
Within two to five years	755,000
	1,952,000
Less - pledge discount	(35,078)
Less - current portion	(1,197,000)
Long-term grants and pledges receivable, net	$ 719,922

The discount applied to the long-term grants and pledges receivable as of December 31, 2025, was computed using rates ranging from 3.94% to 4.79%.

5. Conditional Grants

At December 31, 2025, PCA had received grants and contributions totaling $1,379,656 that contained donor-imposed conditions that represents a barrier that must be overcome, as well as a right of return of assets or release from obligations. PCA recognizes these grants and contributions when donor-imposed conditions are substantially met (see Note 2).

General operating support subject to collection from Donor Advised Funds	$ 1,115,000
Subject to measurable performance barriers	264,656
Total conditional promises to give	**$ 1,379,656**

These conditions are expected to be satisfied at various times through 2028, at which time they will be recognized as revenue.

6. Line of Credit

PCA maintains a $500,000 line of credit with a bank that matures in August 2029, and is secured by substantially all of PCA's business assets. Interest is charged at the bank's prime rate (6.75% at December 31, 2025) plus 0.96%. There was no outstanding balance on the line of credit at December 31, 2025. PCA is required to meet certain covenants in accordance with the agreement. PCA was in compliance with the covenants at December 31, 2025.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes for the sixteen-month period ended December 31, 2025:

Subject to expenditure for specified purpose:	
Program	$ 11,829,478
Workshops	539,608
Time restricted	735,000
Beneficial interest held in perpetuity	10,000
Total	$ 13,114,086

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or passage of events specified by the donors were as follows for the sixteen-month period ended December 31, 2025:

Satisfaction of purpose restrictions:	
Program	$ 4,497,900
Workshops	930,254
Time restricted	99,750
	$ 5,527,904

8. Investments

Investments, which are stated at fair value (see Note 2) in the accompanying statement of financial position, are as follows at December 31, 2025:

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury Bills	$ 7,128,579	$ -	$ -	$ 7,128,579
U.S. Treasury Note	1,963,634	-	-	1,963,634
	$ 9,092,213	$ -	$ -	$ 9,092,213

Investments are not insured and are subject to ongoing market fluctuations. Investments are generally available for use in operations and are therefore classified as current in the accompanying statement of financial position.

9. Employee Benefit Plan

PCA sponsors a defined contribution retirement plan covering substantially all eligible employees that is a qualified plan under Section 401(k) of the Internal Revenue Code (IRC). Employees become eligible to participate in the plan upon meeting age and service requirements, as defined in the plan document. Eligible participants may elect to defer a portion of their compensation to the plan, subject to limitations established by the IRC. Participants may elect to make contributions on a pre tax basis and/or as designated Roth contributions.

PCA makes employer matching contributions in accordance with the plan's safe harbor provisions up to 3% of eligible compensation. Employer contributions are made at the discretion of PCA and are subject to the terms and conditions of the plan. During the sixteen-month period ended December 31, 2025, PCA made contributions to the plan of approximately $493,000, which is included in payroll taxes and employee benefits in the accompanying statement of functional expenses.

10. Commitments and Contingencies

Leases

PCA leases office facilities under noncancelable operating lease agreements with expiration dates through July 31, 2029. Monthly payments under these agreements range from $1,088 to $4,723.

The following summarizes lease costs and other information relative to operating leases as of and for the sixteen-month period ended December 31, 2025:

Lease Costs (included in occupancy):

Operating lease cost	$ 165,529
Add - variable lease cost	11,963
Add - short-term lease cost	14,631
Total lease costs	$ 192,123

Supplementary information related to leases is as follows as of and for the sixteen-month period ended December 31:

Weighted-average remaining lease term (years)	3.06
Weighted-average discount rate (%)	4.78

10. Commitments and Contingencies (Continued)

During the sixteen-month period ended December 31, 2025, there were $80,712 of right-of-use assets obtained in exchange for lease liabilities.

The maturities of lease liabilities as of December 31, 2025, are as follows:

2026	$ 99,552
2027	79,008
2028	55,712
2029	37,348
Total lease payments	271,620
Less - imputed interest	(15,345)
Present value of lease liabilities	$ 256,275

Legal Contingencies

PCA is involved in various legal actions in the ordinary course of business. In the opinion of management, the outcome of these matters, individually or in the aggregate, would not have a material effect on PCA's financial statements as of December 31, 2025.

11. Concentrations

One donor accounted for 37% of total support and revenue for the sixteen-months period ended December 31, 2025.

Approximately 47% of PCA's grants and pledges receivable was due from three donors at December 31, 2025.