



***YOUTH CODE JAM SAN ANTONIO
(A NONPROFIT ORGANIZATION)***

FINANCIAL REPORT

***FOR THE YEAR ENDED
DECEMBER 31, 2018***

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Armstrong, Vaughan & Associates, P. C.

Deborah F. Fraser Phil S. Vaughan Nancy L. Vaughan

Certified Public Accountants

Kimberly J. Roach

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Youth Code Jam San Antonio

Report on the Financial Statements

We have audited the accompanying financial statements of Youth Code Jam San Antonio, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, 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.

Auditor's 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 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 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 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.

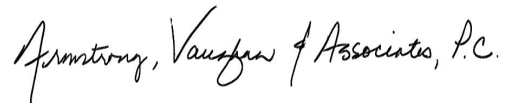
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Code Jam San Antonio as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note B to the financial statements, in 2018 Youth Code Jam San Antonio adopted new accounting guidance from Financial Accounting Standards Board Update ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. This did not require a restatement of prior year balances. Our opinion is not modified with respect to this matter.



Armstrong, Vaughan & Associates, P.C.

June 14, 2019

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Cash and Cash Equivalents	\$ 157,913
Accounts Receivable	36,181
Prepaid Insurance	<u>564</u>
TOTAL ASSETS	<u><u>\$ 194,658</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts Payable	\$ 426
Wages Payable	5,531
Credit Card Payable	<u>4,878</u>
<i>Total Liabilities</i>	<u><u>10,835</u></u>

Net Assets:

Net Assets without Donor Restrictions	126,793
Net Assets with Donor Restrictions	<u>57,030</u>
<i>Total Net Assets</i>	<u><u>183,823</u></u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 194,658</u></u>
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The accompanying notes are an integral part of these financial statements.

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
<i>Support:</i>			
Corporate Contributions	\$ 32,256	\$ -	\$ 32,256
Sponsorships	23,000	-	23,000
Individuals	22,928	-	22,928
<i>Total Support</i>	78,184	-	78,184
 <i>Revenues:</i>			
Grant Income	349,026	63,000	412,026
Program Fees	106,711	-	106,711
In Kind Revenues	36,124	-	36,124
Interest	21	-	21
<i>Total Revenues</i>	491,882	63,000	554,882
 Net Assets Released from Donor Restrictions	12,522	(12,522)	-
TOTAL SUPPORT AND REVENUES	582,588	50,478	633,066
 EXPENSES			
Program Services	423,284	-	423,284
Supporting Services:			
Administrative	49,249	-	49,249
Fundraising	2,406	-	2,406
TOTAL EXPENSES	474,939	-	474,939
 CHANGE IN NET ASSETS	107,649	50,478	158,127
 NET ASSETS - BEGINNING OF YEAR	19,144	6,552	25,696
 NET ASSETS - END OF YEAR	\$ 126,793	\$ 57,030	\$ 183,823

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

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

FUNCTIONAL EXPENSES	Program	<u>Supporting Services</u>		Total
	<u>Services</u>	<u>Administrative</u>	<u>Fundraising</u>	
Salaries and Wages	\$ 205,252	\$ 9,142	\$ 1,811	\$ 216,205
Supplies	57,687	272	-	57,959
Stipends	55,510	-	-	55,510
Software and Equipment	46,393	293	99	46,785
Contract Labor	23,358	1,165	-	24,523
Professional Services	-	22,364	-	22,364
Meals and Entertainment	6,827	1,984	64	8,875
Rent	6,027	3,455	-	9,482
Travel	7,105	109	56	7,270
Conferences and Meetings	5,182	518	-	5,700
Printing and Postage	3,930	501	76	4,507
Advertising and Marketing	2,433	1,725	2	4,160
Training and Education	951	3,199	-	4,150
Insurance	2,629	924	-	3,553
Office Expense	-	2,185	-	2,185
Dues and Subscriptions	-	724	254	978
Bank Charges	-	689	44	733
TOTAL FUNCTIONAL EXPENSES	<u>\$ 423,284</u>	<u>\$ 49,249</u>	<u>\$ 2,406</u>	<u>\$ 474,939</u>

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

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 158,127
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash:	
(Increase) Decrease in Assets:	
Accounts Receivable	(27,662)
Prepaid Expenses	559
Increase (Decrease) in Liabilities:	
Accounts Payable	(702)
Wages Payable	5,531
Credit Cards Payable	4,753
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	<u>140,606</u>
 NET INCREASE (DECREASE) IN CASH	 140,606
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>17,307</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u><u>\$ 157,913</u></u>

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

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE A -- ORDER AND PURPOSE

Youth Code Jam San Antonio (the Organization) is a nonprofit corporation organized in San Antonio, Texas in 2016 to help students get excited about computer science, build confidence in their skills and imagine themselves in the emerging technology-driven jobs of tomorrow. The Organization's mission is to provide innovative, impactful and family-focused out of school time, hands-on computing programs for K-12 students as well as teacher, professional development designed to bring computer science to every school and every classroom. The Organization is supported primarily by program services fees and donations from corporations and individuals.

Youth Code Jam San Antonio has been successful in establishing various summer camps, after school clubs, and community-wide events to inspire kids to learn coding to connect between playing online, creating online, and applying their skills in the real world.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Presentation*

The financial statements of Youth Code Jam San Antonio have been prepared using the accrual basis in accordance with the accounting principles generally accepted in the United States of America (GAAP) whereby revenues are recognized when earned and expenses are recognized when they are incurred.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as revenues without donor restrictions. Accordingly, net assets of the Youth Code Jam San Antonio and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Assets restricted solely through actions of the Board of Directors are reported as net assets without donor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of Youth Code Jam San Antonio and/or passage of time. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

2. *New Accounting Pronouncement*

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adopted ASU 2016-14 and has adjusted the presentation of the financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

3. *Revenue Recognition*

Contributions are recognized as revenues when a gift or promise to give that is unconditional is received. Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

4. *Donated Services and In-Kind Support*

The Organization may receive services, equipment and material without payment or compensation. When the value of such services meets recognition criteria, it is reflected in the accompanying financial statements as revenues and expenditures in a like amount. In-kind contributions are measured and recorded at their fair value on the date of donation. Equipment and other non-cash donations are recorded as contributions at cost or estimated fair value determined at the date of the donations. In-kind services are recognized if they create or enhance nonfinancial assets or if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

5. *Income Taxes*

Youth Code Jam San Antonio is exempt from state and federal income taxes under Section 501(c)3 of the Internal Revenue Code. Additionally, Youth Code Jam San Antonio is further classified as an organization that is not a private foundation under section 509(a)(2) which allows the donors or property, services or money to take the maximum charitable deduction allowed by law.

The most significant tax positions of the Organization is its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. The Organization's tax years for 2015 through 2017 are open to examination by the Internal Revenue Service as of December 31, 2018.

6. *Cash and Cash Equivalents*

Cash and cash equivalents include all monies in checking, savings and money market accounts.

7. *Prepaid Items*

Expenses recorded in advance of the service or product being received are deferred and carried on the statement of financial position as prepaid insurance.

YOUTH CODE JAM SAN ANTONIO
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 DECEMBER 31, 2018

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

8. *Property and Equipment*

Youth Code Jam San Antonio’s policy for recording property and equipment is to capitalize individual items valued over \$2,000 with a useful life greater than one year. Donated capital assets are recorded at estimated fair market value at the date of the donation. Purchased items are capitalized at cost.

9. *Functional Expense Allocations*

Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Executive Director expenses are allocated based on a time study.

10. *Use of Estimates*

The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

11. *Subsequent Events*

Subsequent events were considered through June 14, 2019, which is the date the financial statements were available to be issued.

NOTE C -- CREDIT RISK OF FINANCIAL STATEMENTS

The Organization’s cash and cash equivalents are held in one financial institution and cash balances of up to \$250,000 are secured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2018, all cash balances held in the financial institutions were fully secured.

NOTE D -- ACCOUNTS RECEIVABLE

As of December 31, 2018, the Organization’s accounts receivable consists of the following:

Rackspace Hosting	\$	13,584
KLE Foundation		10,000
Google Fiber		5,000
District 8		4,470
Bibliotech		2,899
UTA Externships Grant		228
		228
	\$	36,181

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

NOTE E -- NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2018, Youth Code Jam San Antonio had restricted funds consisting of the following:

Austin Jam	\$	48,998
She-Code Connect		8,032
Total		<u>57,030</u>

The uses of net assets with donor restrictions at December 31, 2018 are as follows:

Austin Jam	\$	6,002
She-Code Connect		615
TechTEAM		5,905
		<u>12,522</u>

NOTE F -- IN KIND REVENUES

For the year ended December 31, 2018, Youth Code Jam San Antonio received in-kind contributions as follows:

Supplies	\$	35,324
Facility Rentals		800
		<u>36,124</u>

NOTE G -- OPERATING LEASES

The Organization has a lease for a copier. The monthly payment for the copier lease is \$175 and will expire on March 14, 2022.

NOTE H -- REVENUE CONCENTRATIONS

Youth Code Jam San Antonio relies upon grants and service fees for funding a majority of its programs. The reliance on grants and service fees creates a concentration of revenues. For the year ended December 31, 2018, Youth Code Jam San Antonio received \$183,081 from the University of Texas which accounts for 30% of the Organization's revenue.

NOTE I -- LITIGATION

Management is unaware of any threatened or pending litigation.

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

NOTE J -- LIQUIDITY

The management of the Organization's working capital and cash flows have variations during the year attributable to the annual cash receipts for contributions, grants and program fees. Monthly operations, excluding depreciation and in-kind, as of December 31, 2018 are \$36,568. The Organization currently has three months of operating expenses in financial assets available to meet cash needs. The following reflects the Organization's financial assets as of December 31, 2018, reduced by current liabilities and net assets with donor restrictions:

Current Assets, excluding nonfinancial assets	\$ 194,658
Less Current Liabilities	(10,835)
Less Net Assets with Donor Restrictions	<u>(57,030)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 126,793</u></u>