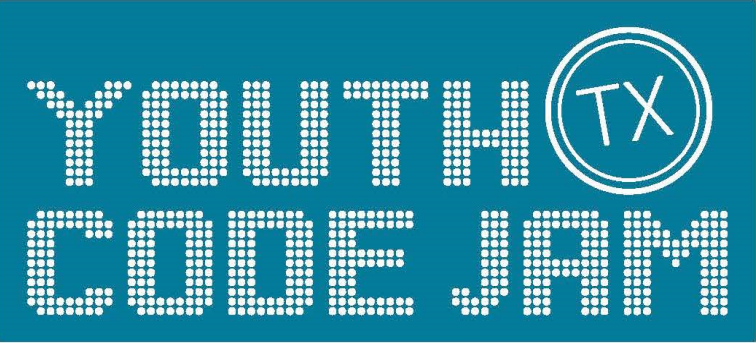


***YOUTH CODE JAM SAN ANTONIO  
(A NONPROFIT ORGANIZATION)***

***FINANCIAL REPORT***

***FOR THE YEAR ENDED  
DECEMBER 31, 2019***



## TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT .....	1
STATEMENT OF FINANCIAL POSITION.....	3
STATEMENT OF ACTIVITIES .....	4
STATEMENT OF FUNCTIONAL EXPENSES .....	5
STATEMENT OF CASH FLOWS .....	6
NOTES TO FINANCIAL STATEMENTS.....	7



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, 2019, 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.

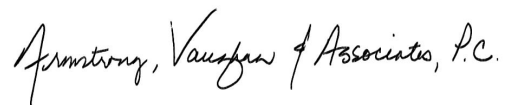
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 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, 2019, 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 2019 Youth Code Jam San Antonio adopted new accounting guidance from Financial Accounting Standards Board Update ASU No. 2014-19, Revenue from Contracts with Customers (Topic 606), ASU No. 2018-08, Not-for-Profit Entities (Topic 958) – *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* and ASU No. 2018-09, Codification Improvements. 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.

April 6, 2020

YOUTH CODE JAM SAN ANTONIO  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019

**ASSETS**

Cash and Cash Equivalents	\$ 113,984
Accounts Receivable	30,534
Prepaid Insurance	<u>807</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 145,325</u></u></b>

**LIABILITIES AND NET ASSETS**

*Liabilities:*

Accounts Payable	<u>7,385</u>
<i>Total Liabilities</i>	<u>7,385</u>

*Net Assets:*

Net Assets without Donor Restrictions	115,644
Net Assets with Donor Restrictions	<u>22,296</u>
<i>Total Net Assets</i>	<u>137,940</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 145,325</u></u></b>
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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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
<i>Support:</i>			
Corporate Contributions	\$ 36,855	\$ 10,000	\$ 46,855
Grant Income	86,935	100,000	186,935
Sponsorships	56,774	-	56,774
Individuals	21,786	-	21,786
<i>Total Support</i>	202,350	110,000	312,350
 <i>Revenues:</i>			
Program Fees	101,923	-	101,923
Sales, net of expenses	5,217	-	5,217
In Kind Revenues	57,108	-	57,108
Interest	328	-	328
<i>Total Revenues</i>	164,576	-	164,576
 Net Assets Released from Donor Restrictions	144,734	(144,734)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>511,660</b>	<b>(34,734)</b>	<b>476,926</b>
 <b>EXPENSES</b>			
Program Services	459,066	-	459,066
Supporting Services:			
Administrative	51,065	-	51,065
Fundraising	12,678	-	12,678
<b>TOTAL EXPENSES</b>	<b>522,809</b>	<b>-</b>	<b>522,809</b>
 <b>CHANGE IN NET ASSETS</b>	<b>(11,149)</b>	<b>(34,734)</b>	<b>(45,883)</b>
 <b>NET ASSETS - BEGINNING OF YEAR</b>	<b>126,793</b>	<b>57,030</b>	<b>183,823</b>
 <b>NET ASSETS - END OF YEAR</b>	<b>\$ 115,644</b>	<b>\$ 22,296</b>	<b>\$ 137,940</b>

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, 2019

<b>FUNCTIONAL EXPENSES</b>	Program	<u>Supporting Services</u>		<b>Total</b>
	<u>Services</u>	<u>Administrative</u>	<u>Fundraising</u>	
Salaries and Wages	\$ 268,293	\$ 29,495	\$ 10,018	<b>\$ 307,806</b>
Software and Equipment	54,545	300	150	<b>54,995</b>
Contract Labor	36,119	2,526	388	<b>39,033</b>
Supplies	37,689	-	-	<b>37,689</b>
Rent	30,380	1,900	1,520	<b>33,800</b>
Professional Services	-	9,963	-	<b>9,963</b>
Printing and Postage	7,411	727	-	<b>8,138</b>
Conferences and Meetings	5,872	1,075	130	<b>7,077</b>
Meals and Entertainment	2,897	2,066	19	<b>4,982</b>
Insurance	3,365	1,234	149	<b>4,748</b>
Travel	3,872	-	-	<b>3,872</b>
Stipends	3,366	-	205	<b>3,571</b>
Advertising and Marketing	3,361	180	-	<b>3,541</b>
Dues and Subscriptions	1,407	75	96	<b>1,578</b>
Bank Charges	-	1,157	3	<b>1,160</b>
Training and Education	489	-	-	<b>489</b>
Office Expense	-	367	-	<b>367</b>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b><u>\$ 459,066</u></b>	<b><u>\$ 51,065</u></b>	<b><u>\$ 12,678</u></b>	<b><u>\$ 522,809</u></b>

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, 2019

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ (45,883)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash:	
(Increase) Decrease in Assets:	
Accounts Receivable	5,647
Prepaid Expenses	(243)
Increase (Decrease) in Liabilities:	
Accounts Payable	<u>(3,450)</u>
<b>NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES</b>	<u>(43,929)</u>
 <b>NET INCREASE (DECREASE) IN CASH</b>	 (43,929)
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	 <u>157,913</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 <u><u>\$ 113,984</u></u>

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

YOUTH CODE JAM SAN ANTONIO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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 Pronouncements*

In July 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-09, Codification Improvements to clarify, correct and improve FASB Accounting Standards Codification (ASC) established in September 2009. The ASC is the source of authoritative generally accepted accounting principles (GAAP) to be applied to nongovernmental entities. The Organization has adopted ASU No. 2018-09 as of January 1, 2019 and implemented any applicable changes.

YOUTH CODE JAM SAN ANTONIO  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2019

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

2. *New Accounting Pronouncements (Continued)*

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), in the ASC to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts with customers, as well as other disclosures. The standard was adopted by the Organization on January 1, 2019.

June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) – *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to address questions stemming from FASB ASU 2014-09, *Revenue from Contracts with Customers* regarding its implications on the grants and contracts of not-for-profit organizations. The stated purpose of ASU 2018-08 is to provide guidance in evaluating whether transactions should be accounted for as contributions or exchanges. In addition, the update introduces the concept of barriers in providing additional guidance on identifying conditions that would preclude the recognition of a contribution as revenue.

In 2019, the Organization adopted ASUs No. 2014-09, No. 2018-08 and No. 2018-09 and has adjusted the presentation of the financial statements accordingly. The adoption of the new standards had no impact on beginning net assets.

3. *Revenue Recognition*

Contributions are recognized as revenues when a gift or pledge that is unconditional is received. Conditional promises to give are those with a measureable performance or other barrier and a right of return and are not recognized until the conditions on which they depend have been met.

Program fees, Jam in a Box fees and contract income are recorded as revenues when the performance obligations are satisfied and when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

Grants and other contributions of cash and other assets are reported as with donor restrictions 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. Revenue with donor restrictions that is received and expended according to those restrictions in the same year is recorded as revenue without donor restriction.

YOUTH CODE JAM SAN ANTONIO  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2019

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

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 2016 through 2018 are open to examination by the Internal Revenue Service as of December 31, 2019.

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.

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.

YOUTH CODE JAM SAN ANTONIO  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2019

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

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. Other expenses are allocated on basis of time and efforts or other reasonable basis. Salary and wage 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 April 6, 2020, 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, 2019, all cash balances held in the financial institutions were fully secured.

NOTE D -- ACCOUNTS RECEIVABLE

As of December 31, 2019, the Organization's accounts receivable consists of the following:

Grants	\$ 28,584
Pledges	<u>1,950</u>
	<u><u>\$ 30,534</u></u>

The Organization considers all of the receivables as collectible and no allowance has been recorded.

YOUTH CODE JAM SAN ANTONIO  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2019

NOTE E -- NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2019, Youth Code Jam San Antonio had restricted funds consisting of the following:

Jam in a Box	\$	18,466
Cyber Club		3,830
		22,296
	\$	22,296

The uses of net assets with donor restrictions at December 31, 2019 are as follows:

Austin Jam	\$	48,998
Jam in a Box		86,534
She-Code Connect		8,032
CyberClub		1,170
		144,734
	\$	144,734

NOTE F -- IN KIND REVENUES

For the year ended December 31, 2019, Youth Code Jam San Antonio received in-kind contributions as follows:

Equipment	\$	34,672
Supplies		6,552
Facility Rentals		15,884
		57,108
	\$	57,108

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 -- LITIGATION

Management is unaware of any threatened or pending litigation.

YOUTH CODE JAM SAN ANTONIO  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2019

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 in-kind, as of December 31, 2019 are \$38,808. 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, 2019, reduced by current liabilities and net assets with donor restrictions:

Current Assets, excluding nonfinancial assets	\$ 145,325
Less Current Liabilities	(7,385)
Less Net Assets with Donor Restrictions	<u>(22,296)</u>
Financial assets available to meet cash needs as of 12/31/19	<u>\$ 115,644</u>

Management is being proactive in assessing all future cash flow needs and revenue streams to meet those needs. Funding will continue based on continuing contracts and programs, as well as, upcoming grant revenue and contributions. In addition, the Organization launched a new program to offer Jam in a Box kits and professional development for teachers and schools which will be a new source of revenue in the future.

NOTE K -- SUBSEQUENT EVENTS

The Organization's ongoing finances may experience instability and the estimates included in the financial statements may change due to current political and economic conditions as a result of public health concerns related to the novel coronavirus, or COVID-19 pandemic. The duration and intensity of these impacts and resulting disruption to which these events effect the Organization's activity will depend on future developments, which are highly uncertain and cannot be predicted at this time.

