

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

FINANCIAL REPORT

***FOR THE YEAR ENDED
DECEMBER 31, 2021***

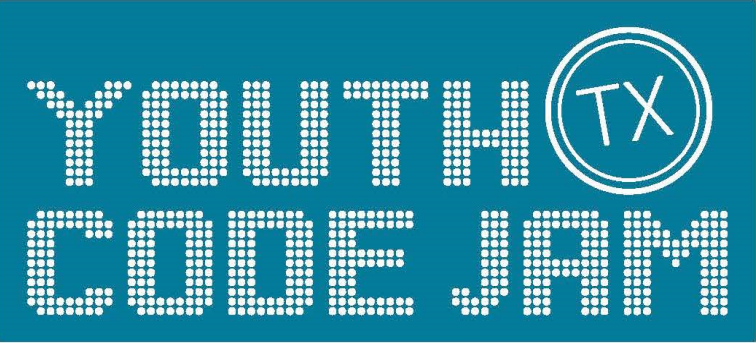


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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 Youth Code Jam San Antonio as of December 31, 2021, 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.

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 Financial Statements section of our report. We are required to be independent of Youth Code Jam San Antonio 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 Youth Code Jam San Antonio's ability to continue as a going concern for one year after the date that the financial statements are 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.

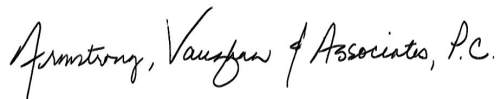
In performing an audit in accordance with GAAS, we:

- 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 Youth Code Jam San Antonio'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 Youth Code Jam San Antonio'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.

Report on Summarized Comparative Information

We have previously audited Youth Code Jam San Antonio's financial statements as of December 31, 2020 and we expressed an unmodified audit opinion on those financial statements in our report dated June 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements for which it has been derived.



Armstrong, Vaughan & Associates, P.C.

June 13, 2022

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

(with summarized comparative financial information at December 31, 2020)

ASSETS	2021	2020
Cash and Cash Equivalents	\$ 211,303	\$ 280,401
Accounts Receivable	23,050	41,859
Prepaid Insurance	927	913
Other Assets	1,647	1,647
TOTAL ASSETS	\$ 236,927	\$ 324,820
LIABILITIES AND NET ASSETS		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 7,259	\$ 3,497
Note Payable - due in one year	-	1,792
	<u>7,259</u>	<u>5,289</u>
<i>Long Term Liabilities:</i>		
Note Payable	80,000	148,208
<i>Total Liabilities</i>	<u>87,259</u>	<u>153,497</u>
<i>Net Assets:</i>		
Net Assets without Donor Restrictions	96,031	111,998
Net Assets with Donor Restrictions	53,637	59,325
<i>Total Net Assets</i>	<u>149,668</u>	<u>171,323</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 236,927	\$ 324,820

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, 2021
(with summarized comparative financial information at December 31, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUES				
<i>Support:</i>				
Corporate Contributions	\$ 16,293	\$ 99,461	\$ 115,754	\$ 22,215
Paycheck Protection Program Grant	61,382	-	61,382	57,300
Individuals	20,848	-	20,848	37,801
Grant Income	-	-	-	142,140
Sponsorships	-	-	-	87,886
<i>Total Support</i>	<u>98,523</u>	<u>99,461</u>	<u>197,984</u>	<u>347,342</u>
<i>Revenues:</i>				
Program Fees	171,420	-	171,420	108,814
Sales, net of expenses	2,493	-	2,493	2,168
In Kind Revenues	-	-	-	529
Other Revenue	-	-	-	1,657
Interest	42	-	42	64
<i>Total Revenues</i>	<u>173,955</u>	<u>-</u>	<u>173,955</u>	<u>113,232</u>
Net Assets Released from Donor Restrictions	105,149	(105,149)	-	-
TOTAL SUPPORT AND REVENUES	<u>377,627</u>	<u>(5,688)</u>	<u>371,939</u>	<u>460,574</u>
EXPENSES				
Program Services	350,240	-	350,240	353,857
Supporting Services:				
Administrative	38,930	-	38,930	56,951
Fundraising	4,424	-	4,424	16,383
TOTAL EXPENSES	<u>393,594</u>	<u>-</u>	<u>393,594</u>	<u>427,191</u>
CHANGE IN NET ASSETS	(15,967)	(5,688)	(21,655)	33,383
NET ASSETS - BEGINNING OF YEAR	<u>111,998</u>	<u>59,325</u>	<u>171,323</u>	<u>137,940</u>
NET ASSETS - END OF YEAR	<u><u>\$ 96,031</u></u>	<u><u>\$ 53,637</u></u>	<u><u>\$ 149,668</u></u>	<u><u>171,323</u></u>

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, 2021
(with summarized comparative financial information at December 31, 2020)

	2021			2020	
	Program	Supporting Services		Total	Total
	Services	Administrative	Fundraising		
FUNCTIONAL EXPENSES					
Salaries and Wages	\$ 267,480	\$ 20,583	\$ 3,632	\$291,695	\$ 323,620
Rent	20,416	801	729	21,946	20,562
Supplies	3,715	27	-	3,742	18,042
Contract Labor	1,980	-	-	1,980	15,987
Professional Services	3,500	13,393	-	16,893	14,106
Stipends	12,800	-	-	12,800	8,800
Software and Equipment	9,705	-	-	9,705	7,157
Printing and Postage	2,182	535	-	2,717	6,604
Insurance	5,718	-	-	5,718	5,006
Conferences and Meetings	11	-	-	11	2,512
Bank Charges	-	1,819	-	1,819	1,708
Office Expense	-	1,449	63	1,512	1,559
Advertising and Marketing	-	34	-	34	669
Dues and Subscriptions	1,229	-	-	1,229	419
Meals and Entertainment	110	273	-	383	389
Training and Education	1,394	16	-	1,410	45
Travel	-	-	-	-	6
Bad Debt Expense	20,000	-	-	20,000	-
TOTAL FUNCTIONAL EXPENSES	\$ 350,240	\$ 38,930	\$ 4,424	\$393,594	\$ 427,191

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, 2021
(with summarized comparative financial information at December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (21,655)	\$ 33,383
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash:		
(Increase) Decrease in Assets:		
Accounts Receivable	18,809	(11,325)
Prepaid Expenses	(14)	(106)
Other Assets	-	(1,647)
Increase (Decrease) in Liabilities:		
Accounts Payable	3,762	(3,888)
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	902	16,417
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(Payment of) Notes Payable	(70,000)	150,000
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	(70,000)	150,000
 NET INCREASE (DECREASE) IN CASH	(69,098)	166,417
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	280,401	113,984
 CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 211,303	\$ 280,401
 SUPPLEMENTAL DISCLOSURE:		
Interest Expense Paid	\$ -	\$ -

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

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, board designated.

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. *Revenue Recognition*

Contributions are recognized as revenues when a gift or promises to give 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.

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

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

2. *Revenue Recognition (Cont.)*

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.

3. *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 2018 through 2020 are open to examination by the Internal Revenue Service as of December 31, 2021.

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, 2021

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. 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. *Reclassification*

Certain amounts from the December 31, 2020 financial statements have been reclassified to enhance comparability to current year amounts. These reclassifications had no impact on the change in net assets.

12. *Subsequent Events*

Subsequent events were considered through June 13, 2022, which is the date the financial statements were available to be issued.

NOTE C -- ACCOUNTS RECEIVABLE

As of December 31, 2021, the Organization's accounts receivable of \$23,050 consists of grants receivable. 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, 2021

NOTE D -- NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021, Youth Code Jam San Antonio had restricted funds of \$17,326 for Jam in a Box.

The uses of net assets with donor restrictions for 2021 are as follows:

Jam in a Box	\$ 67,912
After School	<u>37,237</u>
	<u>\$ 105,149</u>

NOTE E -- NOTE PAYABLE

In 2020, the Organization received a \$150,000 COVID-19 Economic Injury Disaster Loan from the Small Business Administration. The purpose of the loan is to meet the financial obligations and operating expenses that could have been met had the disaster not occurred. The term is 30 years with a fixed interest rate of 2.75%. As of December 31, 2021, the loan was in deferment status and a prepayment of \$70,000 was made in 2021. Interest is accruing on the outstanding amount. Monthly payments of \$641 will begin on February 21, 2023. There are no pre-payment penalties or fees.

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ -	\$ -
2023	5,092	1,959	7,051
2024	5,704	1,988	7,692
2025	5,862	1,830	7,692
2026	6,026	1,666	7,692
2027-2035	<u>57,316</u>	<u>6,896</u>	<u>64,212</u>
	<u>\$ 80,000</u>	<u>\$ 14,339</u>	<u>\$ 94,339</u>

NOTE F -- PAYCHECK PROTECTION PROGRAM

In 2021, the Organization received a forgivable loan through the Paycheck Protection Program from the United States Federal Government in the amount of \$61,382 to be used on payroll (at least 75%), interest on mortgages, rent and utilities. Management elected to treat the program as a grant and recognized the revenue as the conditions were met. The loan was forgiven as of December 31, 2021 and the full amount was recognized as revenue in 2021.

NOTE G -- LITIGATION

Management is unaware of any threatened or pending litigation.

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

NOTE H -- LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

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, 2021 are \$31,133. The Organization currently has seven months of operating expenses in financial assets available to meet cash needs. The following reflects the Organization's financial assets as of December 31, 2021, reduced by current liabilities and net assets with donor restrictions:

Current Assets, excluding nonfinancial assets	\$ 234,353
Less Current Liabilities	(7,259)
Less Net Assets with Donor Restrictions	<u>(53,637)</u>
Financial assets available to meet cash needs as of 12/31/21	<u>\$ 173,457</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.

