

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

FINANCIAL REPORT

***FOR THE YEAR ENDED
DECEMBER 31, 2022***

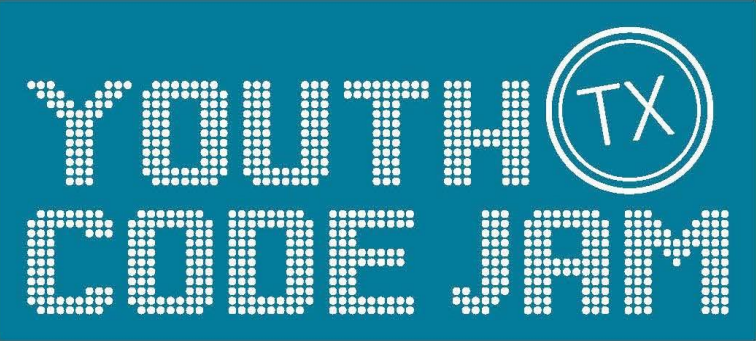


TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT'S REVIEW 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.

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Youth Code Jam San Antonio

Report on the Financial Statements

We have reviewed the accompanying financial statements of Youth Code Jam San Antonio, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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 related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Youth Code Jam San Antonio's financial statements as of December 31, 2021 and we expressed an unmodified audit opinion on those financial statements in our report dated June 13, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the reviewed financial statements for which it has been derived.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

November 6, 2023

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

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

	Unaudited	Audited
ASSETS	2022	2021*
Cash and Cash Equivalents	\$ 251,754	\$ 211,303
Accounts Receivable	-	96,061
Prepaid Insurance	737	927
Other Assets	1,647	1,647
TOTAL ASSETS	\$ 254,138	\$ 309,938
LIABILITIES AND NET ASSETS		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 3,067	\$ 7,259
	3,067	7,259
<i>Long Term Liabilities:</i>		
Note Payable	80,000	80,000
<i>Total Liabilities</i>	83,067	87,259
<i>Net Assets:</i>		
Net Assets without Donor Restrictions	55,838	169,042
Net Assets with Donor Restrictions	115,233	53,637
<i>Total Net Assets</i>	171,071	222,679
TOTAL LIABILITIES AND NET ASSETS	\$ 254,138	\$ 309,938

* 2021 balances were restated. See Note J.

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(with summarized comparative financial information at December 31, 2021)

	2022		2021*	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Unaudited Total</u>	<u>Audited Total</u>
SUPPORT AND REVENUES				
<i>Support:</i>				
Corporate Contributions	\$ 59,208	\$ -	\$ 59,208	\$ 115,754
Paycheck Protection Program Grant	-	-	-	61,382
Individuals	33,141	-	33,141	20,848
Grant Income	5,574	100,926	106,500	-
Sponsorships	35,500	-	35,500	-
<i>Total Support</i>	<u>133,423</u>	<u>100,926</u>	<u>234,349</u>	<u>197,984</u>
<i>Revenues:</i>				
Program Fees	55,226	-	55,226	171,420
Sales, net of expenses	3,068	-	3,068	2,493
Other Revenue	76	-	76	-
Interest	98	-	98	42
<i>Total Revenues</i>	<u>58,468</u>	<u>-</u>	<u>58,468</u>	<u>173,955</u>
Net Assets Released from Donor Restrictions	39,330	(39,330)	-	-
TOTAL SUPPORT AND REVENUES	<u>231,221</u>	<u>61,596</u>	<u>292,817</u>	<u>371,939</u>
EXPENSES				
Program Services	305,524	-	305,524	277,229
Supporting Services:				
Administrative	34,918	-	34,918	38,930
Fundraising	3,983	-	3,983	4,424
TOTAL EXPENSES	<u>344,425</u>	<u>-</u>	<u>344,425</u>	<u>320,583</u>
CHANGE IN NET ASSETS	(113,204)	61,596	(51,608)	51,356
NET ASSETS - BEGINNING OF YEAR	<u>169,042</u>	<u>53,637</u>	<u>222,679</u>	<u>171,323</u>
NET ASSETS - END OF YEAR	<u>\$ 55,838</u>	<u>\$ 115,233</u>	<u>\$ 171,071</u>	<u>222,679</u>

* 2021 balances were restated. See Note J.

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(with summarized comparative financial information at December 31, 2021)

	2022			2021*	
	Program	Supporting Services		Unaudited	Audited
	Services	Administrative	Fundraising	Total	Total
FUNCTIONAL EXPENSES					
Salaries and Wages	\$ 261,411	\$ 14,453	\$ 2,139	\$278,003	\$ 218,684
Rent	17,371	898	898	19,167	21,946
Supplies	5,439	54	-	5,493	3,742
Contract Labor	4,553	732	11	5,296	1,980
Professional Services	-	13,051	463	13,514	16,893
Stipends	4,000	-	-	4,000	12,800
Software and Equipment	710	2,292	17	3,019	9,705
Printing and Postage	1,754	248	-	2,002	2,717
Insurance	5,111	1,104	297	6,512	5,718
Conferences and Meetings	49	-	-	49	11
Bank Charges	-	1,358	8	1,366	1,819
Office Expense	943	534	124	1,601	1,512
Advertising and Marketing	1,286	-	-	1,286	34
Dues and Subscriptions	2,097	194	26	2,317	1,229
Meals and Entertainment	-	-	-	-	383
Training and Education	-	-	-	-	1,410
Bad Debt Expense	800	-	-	800	20,000
TOTAL FUNCTIONAL EXPENSES	\$ 305,524	\$ 34,918	\$ 3,983	\$344,425	\$ 320,583

* 2021 balances were restated. See Note J.

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with summarized comparative financial information at December 31, 2021)

	Unaudited	Audited
	2022	2021*
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (51,608)	\$ 51,356
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash:		
(Increase) Decrease in Assets:		
Accounts Receivable	96,061	(54,202)
Prepaid Expenses	190	(14)
Increase (Decrease) in Liabilities:		
Accounts Payable	(4,192)	3,762
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	40,451	902
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(Payment of) Notes Payable	-	(70,000)
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	-	(70,000)
NET INCREASE (DECREASE) IN CASH	40,451	(69,098)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	211,303	280,401
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 251,754	\$ 211,303
SUPPLEMENTAL DISCLOSURE:		
Interest Expense Paid	\$ -	\$ -

* 2021 balances were restated. See Note J.

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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. There were no conditional promises to give as of December 31, 2022.

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, 2022

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 2019 through 2021 are open to examination by the Internal Revenue Service as of December 31, 2022.

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, 2022

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, 2021 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 November 6, 2023, which is the date the financial statements were available to be issued.

NOTE C -- CONCENTRATIONS OF CREDIT RISK

The financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization's cash and cash equivalents are held in various financial institutions and are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2022, the Organization's cash balances were within the FDIC insured limits.

NOTE D -- ACCOUNTS RECEIVABLE

As of December 31, 2022, the Organization's accounts receivable was zero and consists of grants receivable. An allowance estimate is not necessary as there is no receivable balance at year end.

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

NOTE E -- NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2022, Youth Code Jam San Antonio had restricted funds of \$115,223 for Jam in a Box.

The uses of net assets with donor restrictions for 2022 are as follows:

Jam in a Box	\$	25,388
After School		<u>13,942</u>
		<u><u>\$ 39,330</u></u>

NOTE F -- 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, 2022, the loan was in deferment status and a prepayment of \$70,000 was made in 2022. 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>
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	6,193	1,498	7,691
2028-2035	<u>51,123</u>	<u>5,398</u>	<u>56,521</u>
	<u><u>\$ 80,000</u></u>	<u><u>\$ 14,339</u></u>	<u><u>\$ 94,339</u></u>

NOTE G -- 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, 2022 and the full amount was recognized as revenue in 2021.

The Organization did not receive a forgivable loan in 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, 2022

NOTE I -- 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, 2022 are \$28,635. The Organization currently has five months of operating expenses in financial assets available to meet cash needs. The following reflects the Organization’s financial assets as of December 31, 2022, reduced by current liabilities and net assets with donor restrictions:

Current Assets, excluding nonfinancial assets	\$	251,754
Less Current Liabilities		(3,067)
Less Net Assets with Donor Restrictions		<u>(115,233)</u>
 Financial assets available to meet cash needs as of 12/31/22	 \$	 <u>133,454</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.

NOTE J -- PRIOR PERIOD ADJUSTMENT

The financial statements for the fiscal year ended December 2021 were restated to reflect the results of a prior period adjustment. The following table summarizes these adjustments to beginning net assets:

Beginning Net Assets, Previously Recorded	\$	149,668
Understated Accounts Receivable		<u>73,011</u>
Beginning Net Assets, Restated	\$	<u>222,679</u>

The ERC provides eligible employers with less than 500 employees a refundable tax credit against the employer’s share of social security taxes. The ERC is equal to 70% of qualified wages paid to employees during calendar 2021. During the year ended December 31, 2022, the Company claimed ERCs of \$73,011, consisting of a reduction to operating expenses. Such claimed ERCs not settled prior to year end in the amount of \$73,011 are disclosed within accounts receivable.

