

***YOUTH CODE JAM SAN ANTONIO
(A NONPROFIT ORGANIZATION)
ANNUAL FINANCIAL STATEMENTS***

FINANCIAL REPORT

***FOR THE YEAR ENDED
DECEMBER 31, 2023***

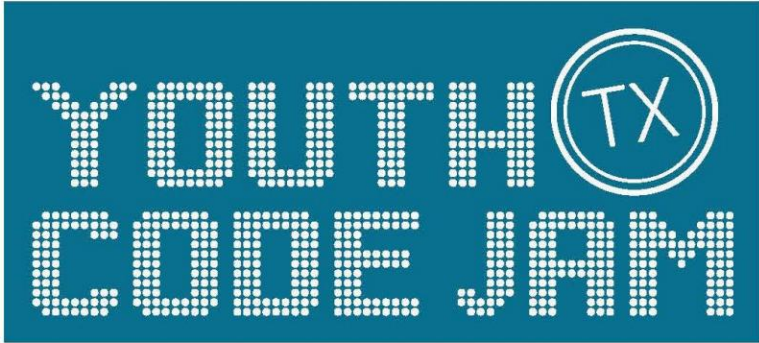


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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Youth Code Jam San Antonio
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Youth Code Jam San Antonio, which comprise the statement of financial position as of December 31, 2023 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 financial statements referred to above present fairly, in all material respects, the financial position of Youth Code Jam San Antonio as of December 31, 2023, 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 of Opinion

We conducted our audits 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 Youth Code Jam San Antonio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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.

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 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.

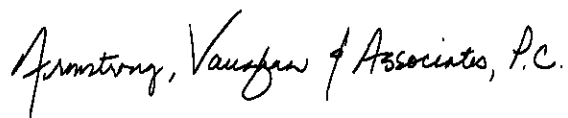
In performing an audit in accordance with GAAS, we:

- 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 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.

Other Matters

The 2022 financial statements were reviewed by us and our report thereon, dated November 6, 2023, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statement as a whole.



Armstrong, Vaughan & Associates, P.C.

December 27, 2024

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

(with summarized comparative financial information at December 31, 2022)

	Audited	Unaudited
ASSETS	2023	2022
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 254,659	\$ 251,754
Accounts Receivable	53,880	-
Prepaid Insurance	737	737
Other Assets	1,647	1,647
<i>Total Current Assets</i>	310,923	254,138
 <i>Noncurrent Assets:</i>		
Right of Use Asset, Net	61,822	-
<i>Total Noncurrent Assets</i>	61,822	-
TOTAL ASSETS	\$ 372,745	\$ 254,138
 LIABILITIES AND NET ASSETS		
<i>Current Liabilities:</i>		
Accounts Payable	2,801	\$ 3,067
Deferred Revenue	0	\$ -
Operating Lease Liability - Current Portion	19,650	-
Long- Term Debt - Current Portion	5,428	-
<i>Total Current Liabilities</i>	27,879	3,067
 <i>Noncurrent Liabilities:</i>		
Operating Lease Liability - Non Current Portion	42,172	-
Long- Term Debt - Net of Current Portion	77,193	80,000
<i>Total Noncurrent Liabilities</i>	119,365	80,000
TOTAL LIABILITIES	147,244	83,067
 <i>Net Assets:</i>		
Net Assets without Donor Restrictions	48,798	55,838
Net Assets with Donor Restrictions	176,703	115,233
<i>Total Net Assets</i>	225,501	171,071
TOTAL LIABILITIES AND NET ASSETS	\$ 372,745	\$ 254,138

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

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(with summarized comparative financial information at December 31, 2022)

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Audited Total	Unaudited Total
SUPPORT AND REVENUES				
<i>Support:</i>				
Corporate Contributions	\$ 19,508	\$ 78,470	\$ 97,978	\$ 59,208
Individual Contributions	13,631	-	13,631	33,141
Grant Income	98,804	-	98,804	106,500
Sponsorships	47,750	-	47,750	35,500
<i>Total Support</i>	<u>179,693</u>	<u>78,470</u>	<u>258,163</u>	<u>234,349</u>
<i>Revenues:</i>				
Program Fees	81,585	-	81,585	55,226
Sales, net of expenses	39,190	-	39,190	3,068
Other Revenue	-	-	-	76
Interest	2,849	-	2,849	98
<i>Total Revenues</i>	<u>123,624</u>	<u>-</u>	<u>123,624</u>	<u>58,468</u>
Net Assets Released from Donor Restrictions	17,000	(17,000)	-	-
TOTAL SUPPORT AND REVENUES	<u>320,317</u>	<u>61,470</u>	<u>381,787</u>	<u>292,817</u>
EXPENSES				
Program Services	298,280	-	298,280	305,524
Supporting Services:				
Administrative	24,763	-	24,763	34,918
Fundraising	4,314	-	4,314	3,983
TOTAL EXPENSES	<u>327,357</u>	<u>-</u>	<u>327,357</u>	<u>344,425</u>
CHANGE IN NET ASSETS	(7,040)	61,470	54,430	(51,608)
NET ASSETS - BEGINNING OF YEAR	<u>55,838</u>	<u>115,233</u>	<u>171,071</u>	<u>222,679</u>
NET ASSETS - END OF YEAR	<u>\$ 48,798</u>	<u>\$ 176,703</u>	<u>\$ 225,501</u>	<u>171,071</u>

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

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(with summarized comparative financial information at December 31, 2022)

	2023			2022	
	Program	Supporting Services		Audited	Unaudited
	Services	Administrative	Fundraising	Total	Total
FUNCTIONAL EXPENSES					
Salaries and Wages	\$ 220,415	\$ 14,521	\$ 2,728	\$ 237,664	\$ 278,003
Rent	18,991	985	985	20,961	19,167
Supplies	2,923	147	-	3,070	5,493
Contract Labor	420	-	-	420	5,296
Professional Services	4,136	5,626	215	9,977	13,514
Stipends	-	-	-	-	4,000
Software and Equipment	15,698	626	17	16,341	3,019
Printing and Postage	644	162	-	806	2,002
Insurance	5,900	254	254	6,408	6,512
Conferences and Meetings	-	-	-	-	49
Bank Charges	-	-	-	-	1,366
Office Expense	319	758	3	1,080	1,601
Advertising and Marketing	1,003	109	-	1,112	1,286
Dues and Subscriptions	1,788	137	31	1,956	2,317
Meals and Entertainment	747	508	-	1,255	-
Training and Education	972	71	-	1,043	-
Interest Expense	9,672	-	-	9,672	-
Misc Expense	86	418	-	504	-
Merchant Fees	418	180	-	598	-
Board Expenses	-	102	-	102	-
Utilities	1,555	81	81	1,717	-
Gifts	-	78	-	78	-
Special Events: Fundraising	12,191	-	-	12,191	-
Translations	217	-	-	217	-
Rent Expense- Off Site Rental	55	-	-	55	-
Travel Expense: Parking	8	-	-	8	-
Legal	122	-	-	122	-
Bad Debt Expense	-	-	-	-	800
TOTAL FUNCTIONAL EXPENSES	\$ 298,280	\$ 24,763	\$ 4,314	\$ 327,357	\$ 344,425

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

YOUTH CODE JAM SAN ANTONIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with summarized comparative financial information at December 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 54,430	\$ (51,608)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash:		
(Increase) Decrease in Assets:		
Accounts Receivable	(53,879)	96,061
Prepaid Expenses	-	190
Increase (Decrease) in Liabilities:		
Accounts Payable	(267)	(4,192)
Deferred Revenue	-	-
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	284	40,451
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(Payment of) Notes Payable	2,621	-
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	2,621	-
NET INCREASE (DECREASE) IN CASH	2,905	40,451
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	251,754	211,303
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 254,659	\$ 251,754
SUPPLEMENTAL DISCLOSURE:		
Interest Expense Paid	\$ -	\$ -

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

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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 2020 through 2022 are open to examination by the Internal Revenue Service as of December 31, 2023.

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, 2023

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, 2022 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 December 27, 2024, which is the date the financial statements were available to be issued.

13. *Compensated Absences*

Employees of Youth Code Jam San Antonio are entitled to paid time off depending on length of service and range from 120 hours to 160 hours annually. Employees are allowed to carry over 24 hours if their length of service is from 0-4 years and 32 hours 4 years or more.

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, 2023, the Organization's had cash balances in excess of the federally insured amounts of \$2,908.

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

NOTE D -- ACCOUNTS RECEIVABLE

As of December 31, 2023, the Organization's accounts receivable consists of grants receivable. An allowance estimate is not necessary as collection is certain and concluded subsequent to year end.

NOTE E -- NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2023, Youth Code Jam San Antonio had restricted funds at year end as follows:

Jam in a Box	\$	144,934
NAJIM		28,000
Girl Scouts of Southwest Texas		3,769
		\$ 176,703

The uses of net assets with donor restrictions for 2023 are as follows:

Jam in a Box	\$	14,739
Girl Scouts of Southwest Texas		2,261
		\$ 17,000

NOTE F -- NOTE PAYABLE- SBA LOAN

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%. A prepayment of \$70,000 was made in 9/27/2021. The loan was in deferment status up until January 31, 2023 and the first monthly payment of \$641 due on February 21, 2023 with interest accumulating. There are no pre-payment penalties or fees.

Years Ending December 31,	Principal	Interest	Total
2024	\$ 5,428	\$ 2,264	\$ 7,692
2025	3,337	4,355	7,692
2026	5,734	1,958	7,692
2027	5,894	1,798	7,692
2028	6,058	1,634	7,692
2029-2033	30,273	5,543	35,816
2034-2037	25,897	1,047	26,944
	\$ 82,621	\$ 18,599	\$ 101,220

NOTE G -- LITIGATION

Management is unaware of any threatened or pending litigation.

YOUTH CODE JAM SAN ANTONIO
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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, 2023 are \$27,280. 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, 2023, reduced by current liabilities and net assets with donor restrictions:

Current Assets, excluding nonfinancial assets	\$	308,539
Less Current Liabilities		(27,879)
Less Net Assets with Donor Restrictions		<u>(176,703)</u>
 Financial assets available to meet cash needs as of 12/31/23	 \$	 <u>103,957</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 I -- LEASES

Youth Code Jam San Antonio entered into a lease agreement for the long-term rental of an office space. The lease calls for monthly payments of \$1,848 per month with an interest rate of 5%. The term of the lease ends on December 31, 2026. The lease was classified as an operating lease upon evaluating the lease terms.

The future minimum requirements are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 19,650	\$ 2,523	\$ 22,173
2025	20,608	1,565	22,173
2026	<u>21,564</u>	<u>609</u>	<u>22,173</u>
	<u>\$ 61,822</u>	<u>\$ 4,697</u>	<u>\$ 66,519</u>

