

CODE PLATOON, NFP
FINANCIAL REPORT
DECEMBER 31, 2019 AND 2018

CODE PLATOON, NFP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Code Platoon, NFP
Chicago, Illinois

We have audited the accompanying financial statements of Code Platoon, NFP (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, and cash flows for the fiscal years 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 audits 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 misstatements.

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 Code Platoon, NFP as of December 31 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Cocalas, Westberg, MommSEN, & Co., Ltd.

Orland Park, Illinois
May 7, 2020

CODE PLATOON, NFP

STATEMENT OF FINANCIAL POSTION

DECEMBER 31,

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 476,482	\$ 422,771
Certificate of deposit	250,000	-
Tuition receivable	32,349	12,400
Prepaid expense	3,201	3,226
Security deposit	9,375	9,375
Total assets	<u>\$ 771,407</u>	<u>\$ 447,772</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	<u>\$ 8,426</u>	<u>\$ 3,694</u>
Net Assets:		
Net assets without restrictions	487,981	256,553
Net assets with restrictions	275,000	187,525
Total net assets	<u>\$ 762,981</u>	<u>\$ 444,078</u>
 Total liabilities and net assets	<u>\$ 771,407</u>	<u>\$ 447,772</u>

The accompanying notes are an integral part of this statement

CODE PLATOON, NFP
STATEMENT OF ACTIVITIES
DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT</u>			
Tuition	\$ 229,555	\$ -	\$ 229,555
Sponsorships	135,000	-	135,000
Consulting	2,145	-	2,145
Contributions	230,155	275,000	505,155
Other Income	33	-	33
Net assets released from donor restrictions	187,525	(187,525)	-
Total revenue	\$ 784,413	\$ 87,475	\$ 871,888
<u>EXPENSES</u>			
Program Services:			
Advertising and marketing	\$ 19,601	-	\$ 19,601
Accounting services	4,650	-	4,650
Bank charges	2	-	2
Curriculum expense	2,500	-	2,500
Dues and subscriptions	7,246	-	7,246
Independent contractors	59,440	-	59,440
Insurance	48,513	-	48,513
Legal and professional	1,510	-	1,510
Meals and entertainment	2,429	-	2,429
Office expense	10,340	-	10,340
Payroll taxes	22,579	-	22,579
Rent	38,212	-	38,212
Travel and parking	9,309	-	9,309
Wages	226,269	-	226,269
Website expense	3,262	-	3,262
Total Program Services	\$ 455,862	\$ -	\$ 455,862
Management and General:			
Operations Officer	\$ 2,340	\$ -	2,340
Pay Pal fees	1,016	-	1,016
Other	1,400	-	1,400
Total Management and General	\$ 4,756	\$ -	\$ 4,756
Fundraising:			
Development Director	\$ 57,000	\$ -	\$ 57,000
Development Officer	11,351	-	11,351
Events	24,016	-	24,016
Total Fundraising	\$ 92,367	\$ -	\$ 92,367
Total expenses	\$ 552,985	\$ -	\$ 552,985
Increase in net assets	231,428	87,475	318,903
Net assets at beginning of year	256,553	187,525	444,078
Net assets at end of year	\$ 487,981	\$ 275,000	\$ 762,981

The accompanying notes are an integral part of this statement

CODE PLATOON, NFP
STATEMENT OF ACTIVITIES
DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT</u>			
Tuition	\$ 129,588	\$ -	\$ 129,588
Sponsorships	110,000	-	110,000
Consulting	12,838	-	12,838
Contributions	229,478	187,525	417,003
	<hr/>	<hr/>	<hr/>
Total revenue	\$ 481,904	187,525	\$ 669,429
<u>EXPENSES</u>			
Program Services:			
Advertising and marketing	\$ 29,830	-	\$ 29,830
Accounting services	3,290	-	3,290
Bank charges	163	-	163
Curriculum expense	5,500	-	5,500
Dues and subscriptions	1,947	-	1,947
Independent contractors	48,431	-	48,431
Insurance	37,960	-	37,960
Meals and entertainment	1,014	-	1,014
Office expense	11,932	-	11,932
Payroll taxes	16,138	-	16,138
Rent	37,358	-	37,358
Supplies	199	-	199
Travel and parking	6,981	-	6,981
Training & development	555	-	555
Wages	180,841	-	180,841
Website expense	3,055	-	3,055
Total Program Services	\$ 385,194	\$ -	\$ 385,194
Management and General:			
Pay Pal fees	\$ 528	\$ -	\$ 528
Other	1,027	-	1,027
Shipping and delivery expense	148	-	148
Total Management and General	\$ 1,703	\$ -	\$ 1,703
Fundraising:			
Development Director	\$ 37,500	\$ -	\$ 37,500
Events	16,324	-	16,324
Total Fundraising	\$ 53,824	\$ -	\$ 53,824
	<hr/>	<hr/>	<hr/>
Total expenses	\$ 440,721	\$ -	\$ 440,721
	<hr/>	<hr/>	<hr/>
Increase in net assets	41,183	187,525	228,708
	<hr/>	<hr/>	<hr/>
Net assets at beginning of year	215,370	-	215,370
	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ 256,553	\$ 187,525	\$ 444,078
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The accompanying notes are an integral part of this statement

CODE PLATOON, NFP

STATEMENT OF CASH FLOWS

DECEMBER 31,

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2019</u>	<u>2018</u>
Increase in net assets	\$ 318,903	\$ 228,708
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase)decrease in operating assets:		
Tuition receivable	(19,949)	(9,150)
Prepaid expense	25	(526)
Security deposit	-	(9,375)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	4,732	(3,940)
Net cash provided (used) by operating activities	<u>\$ 303,711</u>	<u>\$ 205,717</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash provided by (used in) investing activities	<u>\$ (250,000)</u>	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	\$ 53,711	\$ 205,717
Beginning cash and cash equivalents	<u>\$ 422,771</u>	<u>\$ 217,054</u>
Ending cash and cash equivalents	<u><u>\$ 476,482</u></u>	<u><u>\$ 422,771</u></u>

The accompanying notes are an integral part of this statement

CODE PLATOON, NFP

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

A summary of the School's significant accounting policies follows:

Nature of Operations – The corporation entity, Code Platoon, NFP, the (School) is a not-for-profit organization incorporated (December 19, 2014) for the purpose of providing formal classroom training for veterans in computer programing and placing graduates in internship roles.

Basis of Accounting – The accompanying financial statements are presented in accordance with the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred. This is in accordance with FASB ASC 958-910, "*Not-for-Profit Entities*".

Basis of Presentation – The financial statement presentation follows the recommendation of the Financial Accounting Standards Board Accounting Standards Codification (the Codification). As required by the Non-Profit Entities topic of the Codification, "*Financial Statements of Not-for-Profit Organizations*", the School is required to report information regarding its financial position and activities according to two classes of net assets: Net assets without donor restrictions and net assets with donor restrictions. Net Assets with donor restrictions for the years ended December 31, 2019 and 2018 was \$275,000 and \$187,525, respectively. In addition, the School presents a Statement of Cash Flows.

Cash and Cash Equivalents – The School considers money market funds and all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Revenue and Support – Tuition and fees are recognized monthly when earned.

Contributions are recognized when received or earned. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Recognition of Donor Restrictions – Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net asset with donor restrictions are reclassified to net assets without donor restrictions. The restricted assets represent funds received which are restricted by the donor as to the period in which they can be expended. Net Assets with donor restrictions for the year ended December 31, 2019 was \$275,000, which comprise six grant awards. The awards have period restrictions which expire in 12 months from the issuance of the award letter or funds transfer date.

CODE PLATOON, NFP

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
Continued

The following reflects the award period restrictions which expire during the calendar year 2020.

	Donor Restricted Funds	Restriction Dates
Boeing	\$75,000.00	01/01/20 - 12/31/20
Chicago Community Trust	25,000.00	11/16/19 - 11/15/20
McCormick Foundation	50,000.00	08/01/19 - 07/31/20
Motorola	50,000.00	09/19/19 - 12/31/20
Vets Cash	25,000.00	06/01/19 - 05/31/20
Work Day Foundation	50,000.00	12/16/19 - 12/15/20
Total received in 2019	\$275,000.00	

Estimates – The preparation of financial statements, in conformity with Generally Accepted Accounting Principles (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Income Tax Status – The School is exempt from federal income taxes pursuant to Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code. The School is not classified as a private foundation. The School is also exempt from state income taxes pursuant to the General Not-For-Profit Corporation Act of the State of Illinois.

Uncertain Tax Positions – The School has no activities considered unrelated business tax income. FASB ASC 740-10, “*Income Taxes*” provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2019, the implementation of FASB ASC 740-10 had no impact on the School’s financial statements. The School does not believe there are any material uncertain tax positions and it will not recognize any liability for unrecognized tax benefits. The School has filed for and received income tax exemptions in the jurisdiction where it is required to do so. Additionally, the School has filed Internal Revenue Service Form 990 tax return as required. The School’s Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2019 and 2018 are subject to examination by the IRS, generally for three years after filing.

CODE PLATOON, NFP

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the School's financial assets as of the Statement of Financial Position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2019</u>
Financial assets at year-end	\$ 758,831
Less those unavailable for general expenditures within one year	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 758,831</u>

In future years, as part of the School's liquidity management, it will invest cash in excess of daily requirements in short-term investments.

SUBSEQUENT EVENTS – In preparing these financial statements, the School has evaluated subsequent events and transactions for potential recognition or disclosure through May 7, 2020, the date the financial statements were available to be issued. The evolving COVID-19 pandemic has affected the School's attendance at its physical location, all classes during the current session are provided through remote learning. The effect of teaching through remote learning may impact the School's attendance for the remainder 2020 calendar year. Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the School's financial position, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.