CODE PLATOON, NFP

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Code Platoon, NFP:

Opinion

We have audited the accompanying financial statements of Code Platoon, NFP (the Organization), which comprise the statement of financial position as of December 31, 2023, and 2022, and the related statements of activities, cash flows and functional expenses 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 Code Platoon, NFP as of December 31, 2023, and 2022, and its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Code Platoon, NFP 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 aggregate, which raise substantial doubt about Code Platoon, NFP's ability to continue as a going concern within 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Code Platoon, NFP'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 judgement, there are conditions or events, considered in the aggregate, which raise substantial doubt about Code Platoon, NFP'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.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
June 14, 2024

EXHIBIT 1

CODE PLATOON, NFP
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

A S S E T S

	2023	2022
CURRENT ASSETS:		
Cash and cash equivalents	$ 247,192	$ 691,304
Investments	1,683,554	1,210,324
Tuition receivable, net of allowance for credit losses of $7,000 and $-0- for 2023 and 2022, respectively.	28,600	49,125
Unconditional promises to give	50,000	-
Prepaid expenses	23,256	8,664
Security deposit	14,256	14,256
OTHER ASSETS:		
Right of use asset - operating lease	90,479	47,223
Total assets	$ 2,137,337	$ 2,020,896

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 22,271	$ 37,433
Deferred revenue	32,079	33,079
Operating lease liabilities, current	77,250	55,800
Total current liabilities	131,600	126,312
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current	13,229	-
Total liabilities	144,829	126,312
COMMITMENTS		
NET ASSETS:		
Without donor restrictions	1,702,508	1,614,584
With donor restrictions	290,000	280,000
Total net assets	1,992,508	1,894,584
Total liabilities and net assets	$ 2,137,337	$ 2,020,896

The accompanying notes are an integral part of this statement.

CODE PLATOON, NFP
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:						
Tuition, net of scholarships of $1,188,400 and $872,000 for 2023 and 2022, respectively	$ 1,122,427	$ -	$ 1,122,427	$ 1,289,071	$ -	$ 1,289,071
Sponsorships	23,000	-	23,000	60,000	-	60,000
Contributions	582,893	290,000	872,893	408,392	230,000	638,392
Investment income	72,789	-	72,789	5,440	-	5,440
Net assets released from restrictions	280,000	(280,000)	-	285,000	(285,000)	-
Total support and revenues	2,081,109	10,000	2,091,109	2,047,903	(55,000)	1,992,903
FUNCTIONAL EXPENSES:						
Program services	1,629,145	-	1,629,145	1,400,639	-	1,400,639
Management and general	210,344	-	210,344	198,189	-	198,189
Fundraising	153,696	-	153,696	141,889	-	141,889
Total functional expenses	1,993,185	-	1,993,185	1,740,717	-	1,740,717
CHANGE IN NET ASSETS	87,924	10,000	97,924	307,186	(55,000)	252,186
NET ASSETS, Beginning of year	1,614,584	280,000	1,894,584	1,307,398	335,000	1,642,398
NET ASSETS, End of year	$ 1,702,508	$ 290,000	$ 1,992,508	$ 1,614,584	$ 280,000	$ 1,894,584

CODE PLATOON, NFP
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 97,924	$ 252,186
Adjustments to reconcile net assets to net cash provided by operating activities:		
Realized and unrealized (gain) on investments	(9,909)	(172)
Noncash portion of lease expense for operating leases	73,477	71,674
Change in operating assets and liabilities:		
Decrease in tuition receivable	20,525	50,525
(Increase) decrease in unconditional promises to give	(50,000)	80,000
(Increase) in prepaid expenses	(14,592)	(4,055)
Increase (decrease) in accounts payable and accrued liabilities	(15,162)	16,468
(Decrease) in operating lease liabilities	(82,054)	(63,097)
Increase (decrease) in deferred revenue	(1,000)	33,079
Net cash provided by operating activities	19,209	436,608
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	420,118	2,170
Purchases of investments	(883,439)	(1,212,322)
Net cash (used in) investing activities	(463,321)	(1,210,152)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(444,112)	(773,544)
CASH AND CASH EQUIVALENTS, Beginning of year	691,304	1,464,848
CASH AND CASH EQUIVALENTS, End of year	$ 247,192	$ 691,304
SUPPLEMENTAL CASH FLOW INFORMATION:		
Right of use assets acquired through operating lease liabilities	$ 152,160	$ 118,897

The accompanying notes are an integral part of this statement.

CODE PLATOON, NFP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Management & General	Fundraising	Total
Accounting services	$ -	$ 37,415	$ -	$ 37,415
Advertising & marketing	75,057	-	-	75,057
Bad debt expense	32,875	-	-	32,875
Bank charges	-	1,791	-	1,791
Benefits expense	54,700	5,960	4,604	65,264
Dues & subscriptions	36,423	-	-	36,423
Events	-	-	58,863	58,863
HR services	3,600	24,000	-	27,600
Independent contractors	255,300	-	1,250	256,550
Insurance	-	7,951	-	7,951
Lease expense	71,949	-	-	71,949
Meals & entertainment	-	958	-	958
Office expense	32,031	504	373	32,908
Other	-	5,856	-	5,856
PayPal fees	-	1,300	-	1,300
Payroll taxes	71,939	8,279	6,353	86,571
Shipping & delivery	-	796	-	796
Software	10,517	-	-	10,517
Supplies	4,906	141	-	5,047
Taxes & licenses	900	-	-	900
Travel & parking	567	6,520	-	7,087
Wages	977,159	106,470	82,253	1,165,882
Website expense	1,222	2,403	-	3,625
Total functional expenses	$ 1,629,145	$ 210,344	$ 153,696	$ 1,993,185

CODE PLATOON, NFP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management & General	Fundraising	Total
Accounting services	$ -	$ 36,800	$ -	$ 36,800
Advertising & marketing	79,181	-	-	79,181
Bad debt expense	63,500	-	-	63,500
Bank charges	-	1,352	-	1,352
Benefits expense	50,912	4,463	5,666	61,041
Dues & subscriptions	10,119	3,638	82	13,839
Events	5,850	-	39,762	45,612
HR services	-	24,000	-	24,000
Independent contractors	195,561	-	-	195,561
Insurance	3,326	10,988	370	14,684
Lease expense	71,551	-	-	71,551
Meals & entertainment	50	3,508	-	3,558
Office expense	33,026	3,120	5	36,151
Other	-	7,481	-	7,481
PayPal fees	879	616	-	1,495
Payroll taxes	57,643	16,125	7,040	80,808
Shipping & delivery	-	990	-	990
Software	10,473	-	-	10,473
Supplies	4,413	2,201	-	6,614
Taxes & licenses	277	200	-	477
Travel & parking	13,637	9,792	-	23,429
Utilities	117	110	13	240
Wages	799,231	70,070	88,951	958,252
Website expense	893	2,735	-	3,628
Total functional expenses	$ 1,400,639	$ 198,189	$ 141,889	$ 1,740,717

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Code Platoon, NFP (the Organization) is a non-profit organization incorporated December 19, 2014 for the purpose of providing formal classroom training for veterans, active duty personnel and their spouses in computer programming and placing graduates in internship roles.

The financial statements were available to be issued on June 14, 2024 with subsequent events being evaluated through this date.

The following is the nature of operations and summary of the significant accounting policies applied by management in the preparation of the accompanying financial statements.

Basis of Accounting -

The financial statements are presented using the accrual method of accounting, in which revenues are recorded when earned and expenses are recorded when incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Non-for-Profit Organizations*. Under the ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

With donor restrictions - Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Tuition Receivables -

Tuition receivables represent amounts due to the Organization from government agencies and individuals. Tuition receivables are stated at the amount management expects to collect from outstanding balances. Receivables are measured at amortized cost. An allowance for credit losses that are expected to be incurred is recorded as of the date that a receivable is originated. The allowance reduces the carrying amount of the receivables to the net amount expected to be collected over the assets' contractual term. The determination of the allowance requires the Organization to collectively evaluate receivables by classifying them into pools that share similar risk characteristics such as risk rating, type of receivable, size of the receivable, contractual term, industry type of the debtor, geographic location of the debtor, or date of origination while individually evaluating such assets, if any, that do not possess risk characteristics similar to those in the identified pools.

Management determines the allowance for credit losses based on:

- Available and relevant internal and/or external information about historical loss experience with similar assets;
- Current conditions;
- Reasonable and supportable forecasts that affect the expected collectability of the reported amount of financial assets that have an extended contractual term.

The Organization considers a receivable to be past due when the normal invoice terms have been exceeded. Receivables are written off once they are deemed uncollectable. Write offs are recognized as a deduction from the allowance for credit losses. Amounts previously written off that are now expected to be recovered are included in the determination of the allowance for credit losses.

Program Revenue Recognition -

The Organization receives program revenue from tuition. Tuition agreements consist of up to three performance obligations which are all considered to be met at a point in time. The performance obligations and the amount of the contract revenue allocated to each performance obligation varies based on the contracts with the government program that is funding the tuition or the individual student who is enrolled in the course. The three performance obligations are, the student enrolls in the class and begins the class, the student graduates and the student are placed with a job. The revenue associated with each performance obligation is recognized when the individual performance obligation is met.

Contributions -

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give; that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions upon which they depend have been met.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions - (Continued)

The Organization reports gifts of cash and other assets as with donor restriction revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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. Restricted contributions received and released in the same period are shown as contributions without donor restrictions on the statement of activities.

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. The Organization files informational returns in the U.S. federal jurisdiction. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2020. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include wages and related expenses, dues and subscriptions, office expense, lease expenses, supplies, insurance, and travel and parking, which are allocated on the basis of estimates of time and effort.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles 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 reporting period. Actual results could differ from those estimates.

Investments -

The Organization has invested funds in money market funds which have been reported at fair market value for financial statement purposes. Due to the level of risk associated with certain investment securities, it is possible that the changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of financial position.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Revenue -

Deferred revenue consists of deposits from students for classes that have not yet started.

Reclassifications -

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Leases -

The Organization determines if an arrangement is a lease or contains a lease at inception of the contract. The Organization’s operating leases are presented in operating lease right-of-use assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statement of financial position.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease’s commencement date. As most of the Organization’s leases do not specify their implicit rate, the Organization has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by the Organization, less any lease incentives the Organization receives from the lessor. The Organization has elected a practical expedient to account for lease and non-lease components together as a single lease component. The terms of the Organization’s leases generally contain lease payments and reimbursements to the lessor of the Organization’s proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Organization has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

The Organization’s leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether the Organization will exercise the renewal options is generally at the Organization’s sole discretion. The Organization includes lease extensions in the lease term when it is reasonably certain that the Organization will exercise the extension.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Adoption of New Accounting Principle with Respect to Credit Losses -

Effective January 1, 2023, the Organization adopted a new accounting standard under US GAAP that replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (CECL) that are expected to occur over the lifetime of the underlying accounts and notes receivable. The CECL methodology is applicable to financial assets that the Organization measures at amortized cost, including accounts and program services receivable, contract assets, and notes and loans receivable.

The Organization adopted the changes in accounting for credit losses using a modified retrospective method. Upon implementation of the standard, there was no adjustment to beginning net assets.

(2) LEASES:

The Organization leases an office space in Chicago, Illinois. The lease was set to expire in August 2023, however, in February 2023, the Organization entered a new lease terminating the previous office space lease. The lease expires in February 2025 and calls for monthly payments of approximately $6,600.

The components of lease expenses for the years ending December 31, 2023 and 2022, were as follows:

	2023	2022
Operating lease cost	$ 71,949	$ 71,551

Future minimum lease payments under noncancellable leases as of December 31, 2023 are as follows:

2024	$ 79,836
2025	13,306
Total future minimum lease payments	93,142
Less amount representing interest	(2,663)
Present value of net minimum lease payments	$ 90,479

(2) LEASES: (Continued)

The following provides additional information related to the Organization's leases as of and for the year ended December 31, 2023 and 2022:

	2023	2022
Current portion of lease liabilities	$ 77,250	$ 54,010
Long-term portion of lease liabilities	13,229	-
Total lease liabilities	$ 90,479	$ 54,010
Weighted average lease term	1.09 years	8 months
Weighted average discount rate	4.67%	0.40%

Cash paid for amounts included in the measurements of the Company's leases for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Operating cash from operating leases	$ 80,501	$ 68,191

(3) UNCONDITIONAL PROMISE TO GIVE:

Unconditional promises to give consists of the following:

	2023	2022
Less than one year	$ 50,000	$ -
One to five years	-	-
	50,000	-
Less – Discount to present value	-	-
	$ 50,000	$ -

(4) INVESTMENTS:

The composition of investments is as follows:

	2023	2022
Money market fund	$ 1,188,622	$ 1,210,324
Mutual funds	347,638	-
Equities	106,948	-
Exchange traded funds	40,346	-
	$ 1,683,554	$ 1,210,324

Investment return consists of the following:

Interest income	$ 62,880	$ 5,268
Realized and unrealized gain on investments	9,909	172
	$ 72,789	$ 5,440

(5) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

(5) FAIR VALUE MEASUREMENTS: (Continued)

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2023 and 2022.

Money Market Fund: Valued at the closing price (net asset value) reported on the active market on which the individual securities are traded.

Equities: Valued at the daily closing price reported on the active market the individual securities are traded.

Mutual Funds and Exchange traded funds: Valued at the daily closing price (net asset value) as reported on the active market the individual funds are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

	Assets at Fair Value as of December 31, 2023			
Description	Level 1	Level 2	Level 3	Total
Money market fund	$ 1,188,622	$ -	$ -	$ 1,188,622
Mutual funds	347,638	-	-	347,638
Equities	106,948	-	-	106,948
Exchange traded funds	40,346	-	-	40,346
Total assets at fair value	$ 1,683,554	$ -	$ -	$ 1,683,554

	Assets at Fair Value as of December 31, 2022			
Description	Level 1	Level 2	Level 3	Total
Money market fund	$ 1,210,324	$ -	$ -	$ 1,210,324
Total assets at fair value	$ 1,210,324	-	$ -	$ 1,210,324

(6) SIGNIFICANT CONCENTRATION OF CREDIT RISK:

The Organization has concentrated its credit risk for cash by maintaining deposits in the bank, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

(7) REVENUE FROM CONTRACTS WITH MEMBERS:

The following table provides information about significant changes in deferred revenue (or contract liabilities) as of December 31, 2023 and 2022:

	2023	2022
Deferred revenue, beginning of the year	$ 33,079	$ -
Revenue recognized that was included in deferred revenue at the beginning of the year	(33,079)	-
Increase in deferred revenue due to cash received during the year	32,079	33,079
Deferred revenue, end of the year	$ 32,079	$ 33,079

(8) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions on December 31, 2023 and 2022 available for future periods consist of the following:

	2023	2022
Time Restricted	$ 290,000	$ 280,000

(9) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following as of December 31, 2023 and 2022:

	2023	2022
Financial Assets -		
Cash and cash equivalents	$ 247,192	$ 691,304
Investments	1,683,554	1,210,324
Tuition receivables, net	28,600	49,125
Unconditional promises to give	50,000	-
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	$ 2,009,346	$ 1,950,753

(9) LIQUIDITY AND AVAILABILITY: (Continued)

The Organization manages its liquidity and reserves adhering to the following principles:

- Operating within a prudent range of financial soundness and stability
- Incurring unbudgeted costs only when costs are funded
- Maintaining adequate liquid assets to fund near-term operating needs

(10) ALLOWANCE FOR CREDIT LOSSES:

Credit loss activity consists of the following for the year ended December 31, 2023:

Balance, beginning of year	$ -
Credit loss expense	32,875
Write-offs	(25,875)
Balance, end of year	$ 7,000

The Organization determines the allowance for credit losses by using a receivables aging schedule and utilizing historical loss percentages adjusted for the effects of current economic conditions in the industry in which the Organization operates, and reasonable and supportable forecasts of future economic conditions and how it will impact the Organization's industry. The Organization annually adjusts its historical loss percentages to reflect the anticipated adverse effect caused by the factors above.