

CODE PLATOON, NFP

FINANCIAL REPORT

DECEMBER 31, 2017

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, 2017, 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 audit 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 2017, 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
August 16, 2018

CODE PLATOON, NFP

STATEMENTS OF FINANCIAL POSTION

December 31, 2017

	<u>2017</u>
<u>ASSETS</u>	
Current Assets	
Cash - checking	\$ 217,054
Tuition Receivable	3,250
Prepaid expense	2,700
Total assets	<u>\$ 223,004</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities	
Accounts payable and accrued liabilities	<u>\$ 7,634</u>
Net Assets:	
Net assets without restrictions	105,370
Net assets with restrictions	110,000
Total net assets	<u>\$ 215,370</u>
 Total liabilities and net assets	<u>\$ 223,004</u>

The accompanying notes are an integral part of this statement

CODE PLATOON, NFP
STATEMENTS OF ACTIVITIES
December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES AND SUPPORT</u>			
Tuition	\$ 55,626	\$ -	\$ 55,626
Sponsorships	105,000	-	105,000
Contributions	<u>109,207</u>	<u>110,000</u>	<u>219,207</u>
Total revenue	<u>\$ 269,833</u>	<u>\$ 110,000</u>	<u>\$ 379,833</u>
<u>EXPENSES</u>			
Program Services:			
Advertising and marketing	\$ 3,475	\$ -	\$ 3,475
Curriculum expense	10,769	-	10,769
Dues and subscriptions	437	-	437
Independent contractors	37,475	-	37,475
Insurance	10,259	-	10,259
Meals and entertainment	596	-	596
Office expense	6,035	-	6,035
Payroll taxes	9,003	-	9,003
Rent	31,336	-	31,336
Supplies	1,506	-	1,506
Travel and parking	2,855	-	2,855
Wages	122,211	-	122,211
Website expense	<u>2,194</u>	<u>-</u>	<u>2,194</u>
Total Program Services	<u>\$ 238,151</u>	<u>\$ -</u>	<u>\$ 238,151</u>
Management and General:			
Pay Pal fees	\$ 1,854	\$ -	\$ 1,854
Other	307	-	307
Shipping and delivery expense	13	-	13
Total Management and General	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ 2,174</u>
Fundraising:			
Development Director	\$ 4,000	\$ -	\$ 4,000
Events	621	-	621
Total Fundraising	<u>\$ 4,621</u>	<u>\$ -</u>	<u>\$ 4,621</u>
Total expenses	<u>\$ 244,946</u>	<u>\$ -</u>	<u>\$ 244,946</u>
Increase in net assets	24,887	110,000	134,887
Net assets at beginning of year	<u>80,483</u>	<u>-</u>	<u>80,483</u>
Net assets at end of year	<u><u>\$ 105,370</u></u>	<u><u>\$ 110,000</u></u>	<u><u>\$ 215,370</u></u>

The accompanying notes are an integral part of this statement

CODE PLATOON, NFP

STATEMENT OF CASH FLOWS

December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2017</u>
Increase in net assets	\$ 134,887
Adjustments to reconcile change in net assets to net cash provided by operating activities	-
(Increase)decrease in operating assets	-
Tuition Receivable	(3,250)
Security deposit	2,600
Prepaid expense	(2,700)
Increase (decrease) in operating liabilities	-
Accounts payable and accrued liabilities	3,134
Net cash provided (used) by operating activities	<u>\$ 134,671</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash provided by (used in) investing activities	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	\$ 134,671
Beginning cash and cash equivalents	<u>\$ 82,383</u>
Ending cash and cash equivalents	<u><u>\$ 217,054</u></u>

The accompanying notes are an integral part of this statement

CODE PLATOON, NFP
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

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 School's accounts are maintained on the accrual basis of accounting. Grants and other contributions are reported as net assets with restrictions if they are received with stipulations that limit the use of the funding. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Expenses are recorded when incurred.

The School follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, "Not-For-Profit Entities." Under ASC 958, the School is required to distinguish between contributions received that increase permanently restricted, temporarily restricted or unrestricted net assets. The School is also required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the School does not use fund accounting.

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 three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. 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.

CODE PLATOON, NFP

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
continued

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, 2017, 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 2017 and 2016 are subject to examination by the IRS, generally for three years after filing.

CODE PLATOON, NFP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the School's financial assets as of the balance sheet 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>2017</u>
Financial assets at year-end	\$ 220,304
Less those unavailable for general expenditures within one year	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 220,304</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 events and transactions for potential recognition or disclosure through August 16, 2018, the date the financial statements were available to be issued.

Management's evaluation of the impact of all subsequent events on the Schools' financial statements was completed through the date the financial statements were issued and no significant items were noted: