



Financial Statements

For the Year Ended December 31, 2021

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Independent Auditor's Report

To the Board of Directors
Code.org
Seattle, Washington

Opinion

We have audited the financial statements of Code.org which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Code.org as of December 31, 2021, 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 for Opinion

We conducted our audit 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 Code.org 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.

Report on Summarized Comparative Information

We have previously audited Code.org's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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.



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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 Code.org'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 Code.org'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 Code.org'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.

Clark Nuber PS

Certified Public Accountants
April 21, 2022

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Statement of Financial Position
December 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 5,367,636	\$ 5,564,644
Short-term investments	41,019,753	23,890,261
Current portion of pledges receivable, net	8,696,428	10,732,906
Other receivables	235,008	188,297
Inventory	128,506	197,810
Prepaid and other current assets	302,069	468,866
Total Current Assets	55,749,400	41,042,784
Long-term portion of pledges receivable, net	595,287	4,879,963
Other long-term assets	73,122	60,513
Total Assets	\$ 56,417,809	\$ 45,983,260
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 501,809	\$ 347,400
Accrued liabilities	557,885	884,998
Paycheck Protection Program loan, current portion	398,706	510,197
Deferred revenue	390,621	95,000
Total Current Liabilities	1,849,021	1,837,595
Paycheck Protection Program loan, net of current portion	1,503,418	544,308
Deferred rent	16,618	17,823
Total Liabilities	3,369,057	2,399,726
Net Assets:		
Net assets without donor restrictions	43,784,264	27,970,665
Net assets with donor restrictions	9,264,488	15,612,869
Total Net Assets	53,048,752	43,583,534
Total Liabilities and Net Assets	\$ 56,417,809	\$ 45,983,260

See accompanying notes.

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**Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Support and Revenue:				
Contributions				
Corporations	\$ 13,388,140	\$ 2,838,886	\$ 16,227,026	\$ 13,492,014
Foundations	7,804,070	21,036	7,825,106	4,505,853
Individuals	3,935,630	1,312,978	5,248,608	2,392,458
In-kind contributions	368,396	86,626	455,022	1,399,241
Government funding	630,484		630,484	754,714
Paycheck Protection Program loan forgiveness	1,054,505		1,054,505	
Investment earnings	21,182		21,182	62,028
Other revenue	1,289,129		1,289,129	123,231
Net assets released from restriction	10,607,907	(10,607,907)		
Total Support and Revenue	39,099,443	(6,348,381)	32,751,062	22,729,539
Expenses:				
Program services	20,257,272		20,257,272	17,959,182
Management and general	2,157,424		2,157,424	1,693,776
Fundraising	871,148		871,148	378,066
Total Expenses	23,285,844		23,285,844	20,031,024
Change in Net Assets	15,813,599	(6,348,381)	9,465,218	2,698,515
Net assets, beginning of year	27,970,665	15,612,869	43,583,534	40,885,019
Net Assets, End of Year	\$ 43,784,264	\$ 9,264,488	\$ 53,048,752	\$ 43,583,534

See accompanying notes.

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**Statement of Functional Expenses
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)**

	Program Services				Supporting Services				
	Advocacy	Marketing	Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	2021 Total	2020 Total
Personnel costs	\$ 1,020,163	\$ 1,040,374	\$ 10,808,430	\$ 12,868,967	\$ 1,784,290	\$ 754,406	\$ 2,538,696	\$ 15,407,663	\$ 12,493,899
Program implementation	11,588	3,549	2,834,834	2,849,971	19,299	379	19,678	2,869,649	3,406,257
Website and hosting	53,624	361,802	1,519,646	1,935,072	88,349	46,246	134,595	2,069,667	1,909,031
Professional services	502,970	34,886	1,053,443	1,591,299	80,855	23,791	104,646	1,695,945	1,412,166
Office expenses	13,649	30,798	337,310	381,757	118,534	31,496	150,030	531,787	387,440
Travel	83,852	1,918	214,500	300,270	65,215	14,830	80,045	380,315	312,174
Marketing and advocacy	103	72,486	257,347	329,936	882		882	330,818	110,057
Total Expenses	<u>\$ 1,685,949</u>	<u>\$ 1,545,813</u>	<u>\$ 17,025,510</u>	<u>\$ 20,257,272</u>	<u>\$ 2,157,424</u>	<u>\$ 871,148</u>	<u>\$ 3,028,572</u>	<u>\$ 23,285,844</u>	<u>\$ 20,031,024</u>

See accompanying notes.

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Statement of Cash Flows
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ 9,465,218	\$ 2,698,515
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Forgiveness of Paycheck Protection Program loan	(1,054,505)	
Depreciation expense	2,406	2,406
Change in present value discount on pledges receivable	329,970	559,061
Change in allowance for doubtful accounts	43,611	(17,028)
Realized and unrealized (gain) loss on investments	(14,756)	4,630
Change in assets and liabilities:		
Pledges receivable	5,947,573	3,113,877
Other receivables	(46,711)	(24,018)
Inventory	69,304	(120,507)
Prepaid and other assets	151,782	(132,589)
Accounts payable	154,409	54,175
Accrued liabilities	(327,113)	255,202
Deferred revenue	295,621	95,000
Deferred rent	(1,205)	6,441
Net Cash Provided by Operating Activities	15,015,604	6,495,165
Cash Flows From Investing Activities:		
Purchase of short-term investments	(19,114,736)	(39,798,182)
Proceeds from sale of short-term investments	2,000,000	32,600,624
Net Cash Used in Investing Activities	(17,114,736)	(7,197,558)
Cash Flows From Financing Activities:		
Proceeds from Paycheck Protection Program loan	1,902,124	1,054,505
Net Cash Provided by Financing Activities	1,902,124	1,054,505
Net Change in Cash and Cash Equivalents	(197,008)	352,112
Cash and cash equivalents, beginning of year	5,564,644	5,212,532
Cash and Cash Equivalents, End of Year	\$ 5,367,636	\$ 5,564,644

See accompanying notes.

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Notes to Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for 2020)

Note 1 - Nature of the Organization

Organization - Code.org® is a nonprofit dedicated to expanding access to computer science in schools and increasing participation by young women and students from other underrepresented groups. Code.org's vision is that every student in every school should have the opportunity to learn computer science. Code.org increases diversity in computer science by reaching students of all backgrounds where they are - at their skill-level, in their schools, and in ways that inspire them to keep learning. Code.org's work builds upon decades of effort by countless organizations and individuals who have helped establish, fund, and spread computer science education. Code.org's goals include:

- Improving diversity in computer science;
- Increasing the number of schools that adopt and teach computer science;
- Developing high-quality computer science courses that support a K-12 pathway;
- Preparing new computer science teachers across grades K-12;
- Inspiring students to try computer science through the Hour of Code; and
- Helping change government policies to support computer science as a core subject.

To support its goals, Code.org works across the education spectrum: designing its own courses or partnering with others; developing partnerships with strong facilitators and established educational organizations to provide professional learning opportunities for new computer science teachers; helping change educational policies through coalition and community-driven efforts; expanding internationally via partnerships; and marketing to break stereotypes.

Specific areas on which Code.org's work focuses include:

Education - Code.org's comprehensive approach aims to make computer science a core part of U.S. education. The Code.org Professional Learning Program is designed to prepare K-12 educators to teach computer science using a defined curriculum pathway paired with high-quality professional learning resources that supports teacher and student success.

Curriculum at Code.org blends traditional and modern formats, merging lesson plans, activities, and assessments, with computational tools, environments, and learning platforms. Code.org provides this curriculum, in-person workshops, online learning opportunities, and year-round mentorship and support for existing in-service teachers of all backgrounds at the elementary, middle, and high school levels. Code.org's courses are free and easily accessible, available in more than 65 languages, and are used in more than 180 countries (unaudited).

Advocacy - Code.org's advocacy efforts aim to support policies that increase access to K-12 computer science for all students; Code.org advocates for state-level adoption of a policy framework to support and expand K-12 computer science. In particular, Code.org's main policy focus is getting every school to offer at least one computer science course and supporting this through the allocation of state funding for computer science professional development to grow the number of teachers who are prepared to teach computer science courses and encouraging states to develop or adopt K-12 computer science standards.

At the end of 2021, all 50 states have policies to support K-12 computer science education (unaudited) and 33 states have allocated over \$269 million exclusively for computer science education (unaudited).

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Notes to Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for 2020)

Note 1 - Continued

Public Awareness - Code.org uses marketing, celebrities, and events to increase public awareness of computer science as foundational knowledge in modern K-12 education. Code.org's public awareness campaign seeks to motivate more students, parents, and members of the general population to learn computer science and to motivate more schools to want to teach it. Code.org uses celebrity endorsement, earned-media, and viral/social approaches to do this. Code.org also creates materials designed to introduce people of all ages to the potential of learning computer science and break stereotypes, encouraging more young women and students from other underrepresented groups to engage. Code.org's most visible marketing activity is the Hour of Code campaign. In partnership with hundreds of organizations, Code.org has organized a global movement reaching tens of millions of students in more than 180 countries with a one-hour tutorial. The Hour of Code is designed to demystify computer science and show that anybody can learn the basics. This grassroots campaign is supported by hundreds of partners and hundreds of thousands of educators worldwide (unaudited).

International - Code.org also devotes organizational resources to the development of international partnerships through which Code.org provides curriculum partners can use, translate, or adapt under creative commons; best practices for implementing curriculum and professional development; and marketing support in countries who are interested in offering computer science in schools.

Note 2 - Significant Accounting Policies

Basis of Presentation - The financial statements of Code.org are presented on the accrual basis of accounting. Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Code.org and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor-imposed restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of Code.org or passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Restricted contributions are reported in the financial statements as net assets without donor restrictions revenue when they are received and used for the restricted purpose in the same year.

Cash and Cash Equivalents - Cash and cash equivalents consist of savings and demand deposit accounts at December 31, 2021 and 2020. For purposes of reporting cash flows, Code.org considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents except for those associated with the investment accounts.

Notes to Financial Statements
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

Note 2 - Continued

Short-Term Investments - Investments in debt and equity securities with readily determinable market values are recorded at fair value. The fair value of investments in securities traded on national securities exchanges is stated at the closing price on the last business day of the year. Money market accounts held in the investment portfolio are reported at cost plus accrued interest. Short-term investments consist of money market and mutual funds.

Pledges Receivable - Pledges receivable are unconditional promises to give that are expected to be collected within one year and are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in support and revenue. Conditional promises to give are recognized when the conditions on which they depend are met. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. No pledges receivable were written off during the years ended December 31, 2021 and 2020.

Inventory - Inventory is stated at the lower of cost or net realizable value under the first-in, first-out method of accounting, and consists of course materials, workshop kits, and promotional merchandise. No inventory was impaired or written off during the years ended December 31, 2021 and 2020.

Coding Curriculum and Software - All of Code.org's coding curriculum and software is open source and available free to the public under open source, attribution, adapt and share alike licenses. As a result, costs associated with creating this content and software are expensed as incurred and shown as programmatic expense on the accompanying statement of activities and changes in net assets.

Contributions - Code.org recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Donated securities are recorded at their fair values on the date of receipt.

Conditional promises to give are not recognized as revenues until the conditions on which they depend have been met. Conditional contributions are conditioned upon certain performance requirements and the incurrence of qualifying expenses. Consequently, at December 31, 2021 and 2020, conditional contributions approximated \$6,750,000 and \$16,850,000, respectively, of which no amounts had been received in advance, and have not been recognized in the accompanying financial statements. Contributions are conditioned upon meeting certain milestones in the specific agreements, including but not limited to targeting student participants, teachers trained, language translations of curriculum, etc.

In-Kind Contributions - Code.org recognizes as revenue, in the statement of activities and changes in net assets, the value of donated goods and certain services at their fair values on the date received or pledged. The fair value of the donated services is recognized in the financial statements when the services received create or enhance nonfinancial assets, or require specialized skills, and are provided by individuals possessing these skills, and would have been purchased if not donated.

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Notes to Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for 2020)

Note 2 - Continued

In-kind contributions of goods and services consisted of the following for the years ended December 31:

	2021	2020
Web services and licenses	\$ 155,022	\$ 1,099,241
Executive leadership and professional services	300,000	300,000
Total In-Kind Contributions	\$ 455,022	\$ 1,399,241

Gift-in-kind contributions are generally expensed in the year received, except for donated web services, which are expensed when used. In-kind web services expense totaled \$1,706,813 and \$1,656,414 for the years ended December 31, 2021 and 2020, respectively. In-kind contributions in pledge receivables totaled \$1,031,528 and \$2,662,594 for the years ended December 31, 2021 and 2020, respectively.

Other Revenue - Other revenue consists primarily of product sales which is recognized when earned; and licensing fees from an agreement that started in 2021 for the use of Code.org's platform, content, name and logo. Licensing fees are recognized on a straight-line basis over the term of the agreement for a total license fee revenue of \$1,063,025 for the year ended December 31, 2021.

Concentrations - Financial instruments that potentially subject Code.org to concentrations of credit and market risk consist primarily of cash and cash equivalents and short-term investments. Cash and cash equivalents and short-term investments are held in accounts that exceeded federally insured limits during the years ended December 31, 2021 and 2020. This exposes Code.org to potential risk of loss in the event the institution becomes insolvent.

During the year ended December 31, 2021, 50% of Code.org's contribution revenue was from two donors and 69% of its pledges receivable was from two donors. During the year ended December 31, 2020, 48% of Code.org's contribution revenue was from three donors and 73% of its pledges receivable was from four donors.

Federal Income Tax Status - The Internal Revenue Service has determined Code.org to be a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made in these financial statements.

Functional Allocation of Expenses - The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of Code.org. Those expenses include personnel costs, website and hosting, and office expenses. Personnel costs are allocated based on time spent across programs during the month, website and hosting are allocated based on estimated usage by program, and office expenses are allocated based on full-time equivalent representation in the office.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from such estimates.

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Notes to Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for 2020)

Note 2 - Continued

Prior Year Summarized Information - For comparative purposes, the financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Code.org's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Subsequent Events - Code.org has evaluated subsequent events through April 21, 2022, the date on which the financial statements were available to be issued.

Note 3 - Pledges Receivable

Pledges receivable were as follows at December 31:

	2021	2020
Pledges receivable expected in less than one year	\$ 8,696,428	\$ 10,732,906
Pledges receivable expected in one to five years	650,749	5,309,006
	9,347,177	16,041,912
Allowance for doubtful accounts		(43,611)
Present value discount (3.25%)	(55,462)	(385,432)
Pledges Receivable, Net	\$ 9,291,715	\$ 15,612,869

During the year ended December 31, 2018, Code.org received a pledge of Bitcoin to be paid out in Bitcoin over five years. The pledge was recorded on the date received using quoted market prices within active markets and will be subsequently revalued on the statement of financial position dates using the same method until fully collected. The Bitcoin net pledge receivable balance totaled \$1,412,322 and \$1,700,821 for the years ended December 31, 2021 and 2020, respectively.

Note 4 - Fair Value Measurements

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy which prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs are primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Notes to Financial Statements
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

Note 4 - Continued

Following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2021 and 2020:

Money Markets - Valued at cost plus accrued interest, which approximates fair value.

Mutual Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares at year end.

Fair Values Measured on a Recurring Basis - Fair values of assets measured on a recurring basis were as follows:

	Fair Value Measurements as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Money markets	\$ 32,180,874	\$ -	\$ -	\$ 32,180,874
Mutual funds - fixed income	8,838,879			8,838,879
Total Assets at Fair Value	\$ 41,019,753	\$ -	\$ -	\$ 41,019,753

	Fair Value Measurements as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Money markets	\$ 15,472,267	\$ -	\$ -	\$ 15,472,267
Mutual funds - fixed income	8,417,994			8,417,994
Total Assets at Fair Value	\$ 23,890,261	\$ -	\$ -	\$ 23,890,261

Note 5 - Paycheck Protection Program Loan

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the PPP to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On April 15, 2020, Code.org obtained a loan under the PPP with a principal balance of \$1,054,505 and an annual interest rate of 1%. During the year ended December 31, 2021, the balance was forgiven in full, and revenue was recognized in the amount of \$1,054,505.

Additionally, the U.S. Congress passed the Consolidated Appropriations Act, 2021, in December 2020. Included in this act was the Second Draw Program for PPP loans. On March 26, 2021, Code.org received a second PPP loan under the Second Draw Program with a principal balance of \$1,902,124 and an annual interest rate of 1%. Principal and interest are payable in monthly installments beginning 10 months after the end of the covered period through maturity on March 26, 2026. All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met.

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Notes to Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for 2020)

Note 5 - Continued

Future principal payments are as follows:

For the Year Ending December 31,

2022	\$ 398,706
2023	456,663
2024	461,251
2025	465,884
2026	<u>119,620</u>

Total Future Minimum Principal Payments	<u>\$ 1,902,124</u>
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To complete the loan forgiveness process management must submit a loan forgiveness application to the lender and then the lender and the Small Business Administration (SBA) must review and approve the application. There is a risk that the lender or the SBA may reject some or all of the requested forgiveness amount during the review process, in which case Code.org will be required to repay the amount that is not forgiven.

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions were time restricted at December 31, 2021 and 2020. Net assets with donor restrictions totaling \$10,607,907 were released from restriction during the year ended December 31, 2021, due to the passage of time.

Note 7 - Commitments

Noncancelable Leases - In August 2016, Code.org entered into a noncancelable lease for office space that expires in July 2023 and includes escalating monthly rental payments ranging from \$16,000 to \$22,000. Total rent expense under all office space leases totaled \$276,404 and \$267,054 for the years ended December 31, 2021 and 2020, respectively.

Code.org recognizes rental expense on a straight-line basis over the life of the leases and has recorded a deferred rent liability of \$16,618 and \$17,823 at December 31, 2021 and 2020, respectively.

Future rental commitments under this lease is as follows:

For the Year Ending December 31,

2022	\$ 255,537
2023	<u>151,666</u>

Total Future Minimum Lease Payments	<u>\$ 407,203</u>
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Notes to Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for 2020)

Note 8 - Liquidity and Availability of Financial Assets

Liquidity - As part of Code.org's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Code.org invests excess funds that exceed the cash flow needs of the organization for the next 3-6 months in low-risk financial products that generate interest that exceeds what is available in traditional checking and savings accounts.

Availability of Financial Assets - The following reflects Code.org'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 statement of financial position date.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 5,367,636	\$ 5,564,644
Short-term investments	41,019,753	23,890,261
Current portion of pledge receivables, net	8,696,428	10,732,906
Other receivables	<u>235,008</u>	<u>188,297</u>
Total financial assets, excluding noncurrent receivables	55,318,825	40,376,108
Less current portion of in-kind pledges receivable	<u>(880,778)</u>	<u>(1,845,806)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 54,438,047</u>	<u>\$ 38,530,302</u>

Note 9 - Coronavirus Pandemic

In March 2020, the World Health Organization categorized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary business closures, and wide-sweeping quarantines and stay-at-home orders. The COVID-19 pandemic caused business disruption through mandated and voluntary closings of multiple businesses including the shutdown of schools. As a result of the pandemic, in 2021, Code.org staff have adopted a hybrid work environment with many working from home, travel remained limited and many previously scheduled in-person teacher training workshops and events were held virtually. The extent of the impact of COVID-19 on Code.org's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, all of which are uncertain and cannot be predicted. As a result, the extent to which COVID-19 may impact Code.org's financial condition or results of operations cannot be quantified.