

**Wintriss Technical Schools, Inc.
dba
The League of Amazing Programmers**

Financial Statements

Years Ended December 31, 2020 and 2019

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers
San Diego, California

We have audited the accompanying financial statements of Wintriss Technical Schools, Inc. dba The League of Amazing Programmers (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows and functional expenses for the 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 misstatement.

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 Wintriss Technical Schools, Inc. dba The League of Amazing Programmers as of December 31, 2020 and 2019, 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.

Otter Accountancy, APC

December 7, 2021

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers**

**Statements of Financial Position
December 31, 2020 and 2019**

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 129,566	\$ 232,765
Accounts receivable	3,419	19,150
Prepaid expenses	2,481	9,134
Total current assets	<u>135,466</u>	<u>261,049</u>
Other Assets		
Property and equipment - net	130,029	80,572
Deposits	17,384	17,384
Total other assets	<u>147,413</u>	<u>97,956</u>
Total Assets	\$ 282,879	\$ 359,005
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 14,968	\$ -
Accounts payable	16,793	16,800
Accrued expenses	54,283	50,169
Deferred tuition revenue	1,920	4,680
Total current liabilities	<u>87,964</u>	<u>71,649</u>
Non-Current Liabilities		
Long-term debt	104,232	-
Deferred rent	57,763	18,855
Total non-current liabilities	<u>161,995</u>	<u>18,855</u>
Total Liabilities	<u>249,959</u>	<u>90,504</u>
Net Assets		
Without donor restrictions	30,820	255,751
With donor restrictions	2,100	12,750
Total Net Assets	<u>32,920</u>	<u>268,501</u>
Total Liabilities and Net Assets	\$ 282,879	\$ 359,005

The accompanying notes are an integral part of these statement.

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers**

**Statements of Activities
Years Ended December 31, 2020 and 2019**

	2020	2019
Net Assets Without Donor Restrictions		
<i>Support and revenues:</i>		
Gross tuition	\$ 1,090,913	\$ 1,149,722
Less: scholarships	(228,450)	(271,832)
Net tuition	862,463	877,890
Contributions	72,308	19,403
Grants	52,750	41,250
Contributed services	83,850	98,075
Interest	1,833	2,630
	1,073,204	1,039,248
Net assets released from restriction	12,750	28,098
Total Support and Revenues without Donor Restrictions	1,085,954	1,067,346
<i>Expenses:</i>		
Program services:		
Educational services	1,023,333	944,062
Supportive Services:		
Management and general	287,552	211,646
Total Expenses	1,310,885	1,155,708
Decrease in Net Assets Without Donor Restrictions	(224,931)	(88,362)
Net Assets With Donor Restrictions		
Grant contributions	2,100	12,750
Net assets released from restrictions	(12,750)	(28,098)
Decrease in Net Assets with Donor Restrictions	(10,650)	(15,348)
Decrease in Net Assets	(235,581)	(103,710)
Net Assets, Beginning of year	268,501	372,211
Net Assets, End of year	\$ 32,920	\$ 268,501

The accompanying notes are an integral part of these statement.

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers**

**Statements of Cash Flows
Years Ended December 31, 2020 and 2019**

	2020	2019
Cash Flows From Operating Activities		
Decrease in net assets	\$ (235,581)	\$ (103,710)
Adjustments to reconcile decrease in net assets to net cash used by operating activities		
Depreciation	19,623	23,407
Deferred rent	38,908	18,855
(Increase) decrease in operating assets		
Accounts receivable	15,731	410
Prepaid expenses	6,653	(7,925)
Deposits	-	(9,818)
Increase (decrease) in operating liabilities		
Accounts payable	(7)	4,805
Accrued expenses	4,114	11,815
Deferred tuition revenue	(2,760)	(8,148)
Net Cash Used by Operating Activities	(153,319)	(70,309)
Cash Flows From Investing Activities		
Purchase of property and equipment	(69,080)	(24,167)
Net Cash Used by Investing Activities	(69,080)	(24,167)
Cash Flows From Financing Activities		
Proceeds from PPP loan	119,200	-
Net Cash Used by Investing Activities	119,200	-
Net Decrease in Cash and Cash Equivalents	(103,199)	(94,476)
Cash and Cash Equivalents, Beginning of year	232,765	327,241
Cash and Cash Equivalents, End of Year	\$ 129,566	\$ 232,765

The accompanying notes are an integral part of these statement.

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers**

**Statements of Functional Expenses
Years Ended December 31, 2020 and 2019**

	2020			2019				
	<i>Program Educational Services</i>		<i>Management and General</i>	Total	<i>Program Educational Services</i>		<i>Management and General</i>	Total
	\$		\$	\$	\$		\$	
Salaries & benefits	\$ 625,665		\$ 181,845	\$ 807,510	\$ 610,306		\$ 105,860	\$ 716,166
Contributed services	83,850		-	83,850	98,075		-	98,075
Contracted services	18,576		56,057	74,633	22,835		57,817	80,652
Facilities	204,091		23,805	227,896	114,108		21,372	135,480
Operations	54,039		13,859	67,898	49,646		8,741	58,387
Travel & meetings	2,995		-	2,995	11,438		1,825	13,263
Other	14,481		10,888	25,369	10,347		16,031	26,378
Bad debt	-		-	-	3,900		-	3,900
Interest	13		1,098	1,111	-		-	-
Depreciation	19,623		-	19,623	23,407		-	23,407
	\$ 1,023,333		\$ 287,552	\$ 1,310,885	\$ 944,062		\$ 211,646	\$ 1,155,708

The accompanying notes are an integral part of these statement.

Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

1. Summary of Significant Accounting Policies

Nature of Organization

Wintriss Technical Schools, Inc. dba The League of Amazing Programmers (the Organization) was incorporated in 2006 as a non-profit California corporation to teach computer programming skills to grade and middle school children that would prepare them to fill the critical shortage of computer programmers expected within the next ten years.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Represents assets available for operations, which are not limited by donor-imposed restrictions.

Net assets with donor restrictions – Represents contributed assets subject donor-imposed restrictions that will be met either by actions of the Organization and /or passage of time or restrictions requiring the assets to be maintained by the Organization in perpetuity.

Liquidity and Availability of Financial Assets

The Organization has \$132,985 in financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$129,566 and accounts receivable of \$3,419. In addition to these resources, the Organization's support and revenue are expected to generate approximately \$800,000 in the coming year.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of estimates of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers
Notes to Financial Statements
Years Ended December 31, 2020 and 2019**

Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Tuition, Scholarships and Deferred Tuition

Revenue Disaggregation:

Revenues are derived primarily from tuition charged for workshops and classes in computer programming offered by the Organization in the community of Carmel Valley located in the city of San Diego, California as well as satellite locations situated within the campuses of grade and middle schools and public libraries throughout San Diego County.

Performance Obligations:

The costs of the Organization's programs are published on its website. Students enrolled in the Organization's programs are invoiced at the beginning of each month or week, depending on the format of the program. The Organization has identified its performance obligation associated with its educational services, and revenues are recognized on a straight-line basis over the term of the students' instruction.

The Organization provides scholarships to many of its students, with some receiving up to 100% of the cost of tuition. Tuition revenue is presented net of the scholarships provided to qualifying students.

Cancellation and Refund Policy:

Refunds are not provided for student cancellations.

Contract Balances:

A contract asset or accounts receivable is reported on the balance sheet to the extent revenue earned exceed payments received. A contract liability or deferred tuition revenue is reported on the balance sheet to the extent payments received exceed revenues earned.

Accounts receivable and deferred tuition revenue liabilities were as follows:

	<u>Accounts Receivable</u>	<u>Deferred Tuition Revenue</u>
Beginning year balance	\$19,150	\$ 4,680
End of year balance	\$ 3,419	\$ 1,920

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers
Notes to Financial Statements
Years Ended December 31, 2020 and 2019**

Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Grants and Contributions – Grants and contributions received are recorded as support with or without donor restriction depending on the existence or nature of any donor-imposed restrictions.

When a donor-imposed 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 restriction and reported in the statements of activities as net assets released from restrictions.

Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restriction in that period.

Contributed Goods and Services

Donated goods not considered to be long-lived assets are generally recorded as both revenue and expense in the period the items are donated, based on the estimated fair value at the date of the gift.

Contributed services have been recognized as revenue and expense in the accompanying financial statements for services that were provided by individuals who have donated specialized skills and management ability that would have typically been purchased or paid if not provided by donation. The value of service is based on the standard hourly rates charged by or estimated salary of the individual professionals.

Accounts Receivable

Accounts receivable are from tuition income earned and not collected as of the last business day of the year. The Organization provides for estimated losses on accounts receivable based on prior bad debt experience and a review of existing receivables. The Organization reviews its past due balances, and accounts deemed uncollectible are written-off. As of December 31, 2020, and 2019, the Organization considers all of its receivables collectible and no allowance has been established.

Cash and Cash Equivalents

The Organization considers all unrestricted and highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Wintriss Technical Schools, Inc.
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Notes to Financial Statements
Years Ended December 31, 2020 and 2019**

Summary of Significant Accounting Policies (Continued)

Property and Equipment

Expenditures for property and equipment over \$500 are capitalized and stated at cost. Donated assets are recorded at their estimated fair market values at the date of donation. Depreciation is provided over the estimated useful lives, ranging from 3 to 7 years, of the respective assets using the MACRS method of depreciation. Maintenance and repairs are charged to operations as incurred.

Income Tax Status

The Organization, a California not-for-profit corporation, is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

The Organization's federal Exempt Organization Business Income Tax Returns (Form 990) for 2020, 2019 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 may differ from those estimates.

Concentration of Credit Risk

The Organization maintains its cash balances in local banks. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. On December 31, 2020, the Organization had no uninsured cash balances.

Subsequent Events

Management has evaluated subsequent events through December 7, 2021, the date the financial statements were available to be issued.

Wintriss Technical Schools, Inc.
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Notes to Financial Statements
Years Ended December 31, 2020 and 2019

2. Property & Equipment

The following is a summary of property and equipment at cost less, accumulated depreciation:

	2020	2019
Furniture and equipment	\$119,090	\$105,670
Leasehold improvements	<u>112,141</u>	<u>36,481</u>
	231,231	142,151
Less: accumulated depreciation	<u>101,202</u>	<u>81,579</u>
	133,802	60,572
Construction in progress	--	20,000
Net property and equipment	<u>\$130,029</u>	<u>\$ 80,572</u>

Depreciation expense was \$19,623 and \$23,407 for the years ended December 31, 2020 and 2019 respectively.

3. Commitments

Operating Lease Commitments

The Organization leases its office and instructional facilities under a non-cancellable operating lease that expires December 2024. The lease requires monthly rent payments of \$18,257 with annual increases of three percent (3%).

It is the Organization's policy to expense the cost of its facilities operating leases evenly over the term of the lease agreements. The difference between the rent expense recorded and the amount paid is reflected as deferred rent in the accompanying balance sheet.

Future minimum lease payments over the remaining term of the non-cancelable lease as of December 31, 2020, are as follows:

2021	\$ 226,784
2022	233,587
2023	240,595
2024	247,813
Thereafter	--
	<u>\$ 948,779</u>

Rental lease expense for the years ended December 31, 2020 and 2019 was \$227,324 and \$227,666 respectively.

Wintriss Technical Schools, Inc.
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Notes to Financial Statements
Years Ended December 31, 2020 and 2019

4. Long-Term Debt

Long-term debt consisted of the following at December 31, 2020:

	2020	2019
SBA PPP Note Payable – On May 2, 2020, the Organization was granted a loan from California Bank and Trust in the amount of \$119,200, pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The loan bears interest at 1% per annum, payable twenty-four (24) monthly payments of approximately \$5,086 starting September 2021 until paid in full. The Organization used the entire loan amount for qualifying expenses. Under the terms of the PPP, the loan may be forgiven if used for qualifying expenses as described in the CARES Act.	\$ 119,200	\$ -
Less: Current portion	14,968	-
	<u>\$ 104,232</u>	<u>\$ -</u>

Long-term debt repayments due in each of the next five fiscal years are:

2021	\$ 14,968
2022	60,248
2023	43,984
Thereafter	-
	<u>\$ 119,200</u>

Wintriss Technical Schools, Inc.
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5. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods:

	2020	2019
San Diego Gas & Electric	\$ 1,750.00	\$ -
Other	350	-
The San Diego Foundation	-	6,250
Legler Benbough Foundation	-	6,500
	<hr/>	<hr/>
	\$ 2,100	\$ 12,750

Net assets were released from donor restrictions as follows:

	2020	2019
Purpose of restriction accomplished:		
Expenses incurred and services provided to satisfy donor/grant restrictions	\$ 12,750	\$ 28,098

6. Employee Retirement Plan

The Organization maintains a contributory defined contribution plan as defined under Section 403(b) of the U.S. Internal Revenue Code covering substantially all employees. Employees are eligible to make contributions to the plan if they work 20 hours or more a week. If an employee is 21 years of age or older and has more than 90 days of continuous service, the employee is eligible for the Organization's matching or nonelective contribution. The Organization, at its discretion, may provide a matching contribution or a nonelective contribution. The Organization made \$8,932 and \$5,695 matching or nonelective contributions during the year ended December 31, 2020 and 2019 respectively.

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers
Notes to Financial Statements
Years Ended December 31, 2020 and 2019**

7. Subsequent Events

PPP Loan Forgiven

In June 2021, the Organization's \$119,200 PPP loan was forgiven by the Small Business Administration.

Operating Lease Modification

Effective February 2021, the Organization modified its operation lease (See Note 3). The Organization removed approximately 1,259 in rentable space from the agreement for a total reduction of \$222,060 in future lease payments. Modified future minimum lease payments over the remaining term of the non-cancelable lease as of December 31, 2020, are as follows:

2021	\$ 153,667
2022	181,813
2023	186,912
2024	192,163
Thereafter	<hr/> <u>\$ 714,555</u>