



## Audited Financial Statements

December 31, 2019

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
New York City Foundation for Computer Science Education, Inc.  
(d/b/a CSforALL)

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of New York City Foundation for Computer Science Education, Inc. (d/b/a CSforALL), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 New York City Foundation for Computer Science Education, Inc. as of December 31, 2019, 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.

*Schall & Ashenfarb*  
Schall & Ashenfarb  
Certified Public Accountants, LLC

April 1, 2022

**NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.**  
**(d/b/a CSforALL)**  
**STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2019**

**Assets**

Cash and cash equivalents	\$2,334,092
Contributions and grants receivable	292,769
Program income receivable	<u>15,010</u>
 Total assets	 <u><u>\$2,641,871</u></u>

**Liabilities and Net Assets**

<b>Liabilities:</b>	
Accounts payable and accrued expenses	\$104,361
Pass-through grants payable (Note 3)	<u>1,290,000</u>
 Total liabilities	 <u><u>1,394,361</u></u>
 <b>Net assets:</b>	
Without donor restrictions	3,775
With donor restrictions (Note 4)	<u>1,243,735</u>
 Total net assets	 <u><u>1,247,510</u></u>
 Total liabilities and net assets	 <u><u>\$2,641,871</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.**  
**(d/b/a CSforALL)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions (Note 4)	Total
Public support and revenue:			
Contributions	\$806,949	\$1,177,707	\$1,984,656
In-kind contributions (Note 5)	1,090,000		1,090,000
Government grants	337,854		337,854
Program income	73,978		73,978
Net assets released from restriction (Note 4)	502,987	(502,987)	0
Total public support and revenue	2,811,768	674,720	3,486,488
Expenses:			
Program services	2,295,355		2,295,355
Management and general	538,901		538,901
Fundraising	392,388		392,388
Total expenses	3,226,644	0	3,226,644
Change in net assets	(414,876)	674,720	259,844
Net assets - beginning of year	418,651	569,015	987,666
Net assets - end of year	\$3,775	\$1,243,735	\$1,247,510

*The attached notes and auditor's report are an integral part of these financial statements.*

**NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.**  
**(d/b/a CSforALL)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries (including in-kind)(Note 5)	\$898,906	\$81,508	\$306,750	\$1,287,164
Payroll taxes and benefits (including in-kind)(Note 5)	<u>179,471</u>	<u>16,111</u>	<u>37,835</u>	<u>233,417</u>
Total personnel services	1,078,377	97,619	344,585	1,520,581
Professional fees	277,061	177,172		454,233
CS Education program expenses (including in-kind)(Note 5)	332,850			332,850
Travel and conferences (including in-kind)(Note 5)	451,174	23,273		474,447
In-kind occupancy (Note 5)	62,853	5,699	21,448	90,000
Office expenses	93,040	26,602	17,472	137,114
Insurance		7,144		7,144
Other expenses		1,392	8,883	10,275
Bad debt expense		<u>200,000</u>		<u>200,000</u>
Total expenses	<u><u>\$2,295,355</u></u>	<u><u>\$538,901</u></u>	<u><u>\$392,388</u></u>	<u><u>\$3,226,644</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.**  
**(d/b/a CSforALL)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Cash flows from operating activities:	
Change in net assets	\$259,844
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Contributions and grants receivable	156,071
Program income receivable	(15,010)
Accounts payable and accrued expenses	84,043
Pass-through grants payable	(130,950)
Total adjustments	<u>94,154</u>
Net cash flows provided by operating activities/ net increase in cash and cash equivalents	353,998
Cash and cash equivalents - beginning of year	<u>1,980,094</u>
Cash and cash equivalents - end of year	<u><u>\$2,334,092</u></u>
Interest and taxes paid	<u><u>\$0</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.**  
**(d/b/a CSforALL)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**Note 1 - Organization**

New York City Foundation for Computer Science Education, Inc. (d/b/a CSforALL) (“CSforALL”) is a nonprofit organization launched in 2013 to make high-quality computer science an integral part of the educational experience of all K-12 students and teachers in the United States and to support student pathways to college and career success. Revenue of CSforALL comes primarily from contributions.

CSforALL has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

**Note 2 - Significant Accounting Policies**

a. Basis of Accounting

The financial statements of CSforALL have been prepared on the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred, rather than received or paid.

Effective, January 1, 2019, CSforALL adopted the requirements of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, “Topic 606”). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective January 1, 2019, CSforALL adopted ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (“Topic 605”). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, CSforALL evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, CSforALL applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

Analysis of the various provisions of both of these standards resulted in no significant changes in the way CSforALL recognizes revenue.



b. Basis of Presentation

Information regarding financial position and activities are reported according to the following specific classes of net assets:

- *Net Assets Without Donor Restrictions* – accounts for activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – relates to activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities.

c. Revenue Recognition

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a 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. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Government grants have been evaluated and are considered to be non-reciprocal; therefore, they are also treated as contributions under Topic 605. In addition, government grants meet the criteria of being conditional. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Cash received in advance of the conditions being met is treated as a liability.

Contributions and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

Topic 606 has been adopted using the modified retrospective method applied to all contracts after January 1, 2019 and legacy GAAP is used for all contracts before January 1, 2019.

Topic 606 applies to program income related to workshops and a symposium and is recognized at the point in time that the event takes place and the performance obligation is complete. Fees that have not been collected at year end are reflected as accounts receivable. Amounts collected in advance are treated as deferred revenue.

All receivables at December 31, 2019 are expected to be received within one year. Management reviews receivables for collectability based on various factors such as historical experience and subsequent collections. As of December 31, 2019, management deems all receivables to be collectible and, as such, has not established an allowance for doubtful accounts. Write-offs will be made in the period the receivable is deemed to be uncollectible

d. Cash and Cash Equivalents

CSforALL considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Significant Concentrations

Financial instruments which potentially subject CSforALL to concentration of credit risk consist of cash accounts with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end, a significant portion of the funds is not insured by the Federal Deposit Insurance Corporation ("FDIC") or related entity; however, management feels they have little risk and has not suffered losses from the default of any financial institution.

f. Fixed Assets

Fixed assets where title is retained and that benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation. Depreciation expense is recorded using the straight-line method over the estimated useful life of the asset. In-kind space was received that includes the use of furniture and equipment; therefore, there were no fixed asset purchases made for the year ended December 31, 2019.

g. In-kind Contributions

Donated services are recognized in circumstances where the service creates or enhances a non-financial asset or where those services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. See Note 5 for a summary of in-kind contributions received.

Board members and other individuals volunteer their time and perform a variety of tasks that assist CSforALL. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

h. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

i. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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.

Salary expense is allocated based on time and effort. The following costs are allocated using salaries as the basis:

- Payroll taxes and benefits
- Occupancy
- Office expenses

All other expenses have been charged directly to the applicable program or supporting services.

j. Accounting for Uncertainty of Income Taxes

Management does not believe its financial statements include any material, uncertain tax positions. The year-end was changed to December starting with calendar 2018.

Previous tax returns were filed on a June year-end. Tax filings for periods ending June 30, 2016 and later are subject to examination by applicable taxing authorities.

k. Recent Accounting Pronouncements

FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

Management is in the process of evaluating the impact these standards will have on future financial statements.

**Note 3 - Pass-through Grants Payable**

CSforALL supports schools, non-profits, and other organizations that manage computer science education programs and receives funding on behalf of certain organizations. Since there is no variance power, these funds are reflected as a liability until paid out. The amounts collected that have yet to be distributed remain as a liability.

**Note 4 - Net Assets With Donor Restrictions**

The following summarizes the changes in net assets with donor restrictions:

	<u>Balance</u> <u>1/1/19</u>	<u>Increases</u>	<u>Released</u> <u>from</u> <u>Restrictions</u>	<u>Balance</u> <u>12/31/19</u>
Program restricted:				
CSforALL Implementation Tool	\$183,019	\$0	\$0	\$183,019
Gender Advocacy and Capacity Building Project	151,645	0	0	151,645
RPP for CS	74,351	37,207	(111,558)	0
AlignCS	100,000	0	(32,926)	67,074
CS Ecosystems	0	350,000	(127,643)	222,357
CSbyALL	0	35,000	(32,268)	2,732
CSP2P	0	60,000	(22,861)	37,139
Dell 3.0	0	150,500	(18,966)	131,534
JROTC	0	225,000	(29,487)	195,513
SforCSE	0	100,000	(16,214)	83,786
Web Portal	0	120,000	(11,064)	108,936
Other	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
Subtotal program	519,015	1,077,707	(402,987)	1,193,735
Time restricted	<u>50,000</u>	<u>100,000</u>	<u>(100,000)</u>	<u>50,000</u>
Total	<u>\$569,015</u>	<u>\$1,177,707</u>	<u>(\$502,987)</u>	<u>\$1,243,735</u>

**Note 5 - In-Kind Contributions**

Starting in January 2018, an affiliation agreement was entered with the Siegel Family Endowment (“SFE”) whereby, all core team members working at CSforALL were employed by SFE at no charge. SFE also provided donated space and other administrative services.

Additionally, in-kind contributions in the form of donated technical support and conference expenses were received for programming.

In-kind contributions for the year ended December 31, 2019 can be summarized as follows:

	<u>Total</u>	<u>Program</u>	<u>Management</u> <u>and</u> <u>General</u>	<u>Fundraising</u>
Salaries	\$690,000	\$563,000	\$50,250	\$76,750
Payroll taxes and benefits	140,000	114,232	10,196	15,572
CS Education program expense	145,000	145,000	0	0
Travel and conferences	25,000	25,000	0	0
Occupancy	<u>90,000</u>	<u>62,853</u>	<u>5,699</u>	<u>21,448</u>
Total	<u>\$1,090,000</u>	<u>\$910,085</u>	<u>\$66,145</u>	<u>\$113,770</u>

Subsequent to year-end, CSforALL executed an affiliation termination agreement with the Siegel Family Endowment (“SFE”) with an effective date of December 31, 2020. Accordingly, the parties mutually agreed that SFE will discontinue providing in-kind services pursuant to the affiliation agreement and all named members of the core team would cease to be employees of SFE. As part of the agreement, CSforALL offered each member of the core team employment promptly after the effective date of the affiliation agreement.

**Note 6 - Related Party Transaction**

During the year ended December 31, 2019, one board member was paid \$8,000 as a consultant for providing expertise on nonprofit management, governance, and finance.

**Note 7 - Commitments**

There are no long-term leases or contracts that require future payments.

**Note 8 - Liquidity and Availability of Financial Resources**

Cash on hand was maintained for general expenditures, liabilities, and other obligations for on-going operations. As part of the liquidity management, programs are operated within a board approved budget. Grants, contributions, and program income are relied on to fund operations and program activities.

The following reflects financial assets that are available to meet cash needs for general expenditures within one year:

Cash and cash equivalents	\$2,334,092	
Contributions and grants receivable	292,769	
Program income receivable	<u>15,010</u>	
Total financial assets		\$2,641,871
Less amounts not available to be used within one year:		
Pass-through grants payable	(\$1,290,000)	
Contributions restricted – purpose restrictions	<u>(1,193,735)</u>	
Total amounts not available for general expenditures		<u>(\$2,483,735)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$158,136</u>

**Note 9 - Subsequent Events**

Management has evaluated the impact of all subsequent events through April 1, 2022, which is the date that the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which CSforALL operates. As of the date of the financial statements, many of the travel restrictions and stay at home orders have been lifted, however, supply chains remain impacted. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact cannot be quantified.

Effective June 14, 2021, CSforALL decided to focus on its national strategy. All responsibilities, activities and funds related to the implementation of the NYC-based program moved to a new, separate and unrelated nonprofit organization. A total of \$239,000 was transferred from CSforALL to the new nonprofit organization representing funds raised for New York City operations—and management fees. An additional \$1,050,000 was transferred from CSforALL to the new nonprofit organization representing funds raised for and restricted to the New York City program.