

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

Financial Statements

Years Ended December 31, 2018 and 2017

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

Contents

Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7-11



ORTEGA & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

12526 High Bluff Drive, Suite 300, San Diego, CA 92130 • Direct 858.623.2786 • Fax 858.408.2457

www.ortegacpa.net

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, 2018 and 2017, 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, 2018 and 2017, 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.

Ostep & Associates, CPA's

October 4, 2019

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

**Statements of Financial Position
December 31, 2018 and 2017**

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 327,241	\$ 282,816
Accounts receivable	19,560	4,220
Prepaid expenses	1,209	786
Total current assets	348,010	287,822
Other Assets		
Property and equipment - net	79,812	55,902
Deposits	7,566	2,303
Total other assets	87,378	58,205
Total Assets	\$ 435,388	\$ 346,027
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 11,995	\$ 5,192
Accrued expenses	38,354	30,798
Deferred tuition revenue	12,828	13,617
Total current liabilities	63,177	49,607
Total Liabilities	63,177	49,607
Net Assets		
Without donor restrictions	344,113	284,753
With donor restrictions	28,098	11,667
Total Net Assets	372,211	296,420
Total Liabilities and Net Assets	\$ 435,388	\$ 346,027

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, 2018 and 2017**

	2018	2017
Net Assets Without Donor Restrictions		
<i>Support and revenues:</i>		
Gross tuition	\$ 1,097,259	725,935
Less: scholarships	(292,295)	(191,840)
Net tuition	804,964	534,095
Contributions	16,418	24,925
Grants	101,092	47,333
Contributed goods and services	126,332	114,838
Special events	-	11,210
Interest	790	138
	1,049,596	732,539
Net assets released from restriction	11,667	18,221
Total Support and Revenues without Donor Restrictions	1,061,263	750,760
<i>Expenses:</i>		
<i>Program services:</i>		
Educational services	792,941	476,044
Special events	-	12,689
<i>Supportive Services:</i>		
Management and general	208,962	148,398
Loss from disposal of assets	-	134
Total Expenses	1,001,903	637,265
Increase in Net Assets Without Donor Restrictions	59,360	113,495
Net Assets With Donor Restrictions		
Grant contributions	28,098	11,667
Net assets released from restrictions	(11,667)	(18,221)
Increase (Decrease) in Net Assets with Donor Restrictions	16,431	(6,554)
Increase in Net Assets	75,791	106,941
Net Assets, Beginning of year	296,420	189,479
Net Assets, End of year	\$ 372,211	\$ 296,420

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, 2018 and 2017**

	2018	2017
Cash Flows From Operating Activities		
Increase in net assets	\$ 75,791	\$ 106,941
Adjustments to reconcile increase in net assets		
To net cash provided by operating activities		
Depreciation	22,532	11,287
Loss from disposal of assets	-	134
(Increase) decrease in operating assets		
Accounts receivable	(15,340)	15,872
Inventory	-	-
Prepaid expenses	(423)	(156)
Deposits	(5,263)	-
Increase (decrease) in operating liabilities		
Accounts payable	6,803	(3,575)
Accrued expenses	7,557	20,364
Deferred tuition revenue	(789)	12,913
Net Cash Provided by Operating Activities	90,868	163,780
Cash flows from investing activities		
Purchase of property and equipment	(46,443)	(53,084)
Net Cash Used by Investing Activities	(46,443)	(53,084)
Net Increase in Cash and Cash Equivalents	44,425	110,696
Cash and Cash Equivalents, Beginning of year	282,816	172,120
Cash and Cash Equivalents, End of Year	\$ 327,241	\$ 282,816

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, 2018 and 2017**

	<i>Program Services</i>				<i>Program Services</i>			
	<i>Educational Services</i>	<i>Special Events</i>	<i>Management and General</i>	<i>Total</i>	<i>Educational Services</i>	<i>Special Events</i>	<i>Management and General</i>	<i>Total</i>
Salaries & benefits	\$ 466,470	\$ -	\$ 130,216	\$ 596,686	\$ 276,098	\$ -	\$ 89,494	\$ 365,592
Contributed services	123,712	-	-	123,712	114,838	-	-	114,838
Contracted services	8,111	-	44,038	52,149	750	-	20,498	21,248
Facilities	90,516	-	15,867	106,383	45,161	-	8,470	53,631
Operations	35,340	-	8,425	43,765	17,764	-	22,403	40,167
Travel & meetings	21,584	-	1,094	22,678	8,698	-	2,203	10,901
Other	23,956	-	9,322	33,278	858	12,689	5,330	18,877
Bad debt	720	-	-	720	590	-	-	590
Depreciation	22,532	-	-	22,532	11,287	-	-	11,287
	<u>\$ 792,941</u>	<u>\$ -</u>	<u>\$ 208,962</u>	<u>\$ 1,001,903</u>	<u>\$ 476,044</u>	<u>\$ 12,689</u>	<u>\$ 148,398</u>	<u>\$ 637,131</u>

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, 2018 and 2017**

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. The Organization provides its educational services in its Carmel Valley location in the city of San Diego, California as well as seven satellite locations situated within the campuses of grade and middle schools and public libraries throughout San Diego County.

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 \$346,801 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 \$327,241 and accounts receivable of \$19,560. In addition to these resources, the Organization's support and revenue are expected to generate approximately \$1,000,000 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, 2018 and 2017**

Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Tuition, Scholarships and Deferred Tuition - Revenues are derived primarily from tuition charged for workshops and classes in computer programming offered by the Organization. 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.

Deferred tuition revenue results from the Organization recognizing tuition revenue in the period in which the related educational instruction is performed. Accordingly, tuition received for the next term of workshops and classes are deferred until the instruction commences.

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 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.

**Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers
Notes to Financial Statements
Years Ended December 31, 2018 and 2017**

1. Summary of Significant Accounting Policies (Continued)

Accounts receivable

Accounts receivable is 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, 2018, and 2017 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.

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 2018, 2017 and 2016 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.

Reclassification

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

Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

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. At December 31, 2018, the Organizations uninsured cash balance was approximately \$47,000.

Subsequent Events

Management has evaluated subsequent events through October 4, 2019, the date the financial statements were available to be issued.

2. Property & Equipment

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

	2018	2017
Furniture and equipment	\$101,503	\$ 59,173
Leasehold improvements	36,481	32,370
	<u>137,984</u>	<u>91,543</u>
Less: accumulated depreciation	58,172	35,641
Net property and equipment	<u>\$ 79,812</u>	<u>\$ 55,902</u>

Depreciation expense was \$22,532 and \$11,287 for the years ended December 31, 2018 and 2017 respectively.

3. Operating Lease Commitment

The Organization leases its office suite under a non-cancellable operating lease that expires April 30, 2022. The lease requires monthly rent payments of \$9,421 with annual increases of three percent (3%).

Future minimum lease payments over the remaining term of the non-cancelable lease as of December 31, 2018, are as follows:

2019	\$111,195
2020	114,642
2021	123,302
2022	42,269
Thereafter	<u>- -</u>
	<u>\$391,408</u>

Rental lease expense for the years ended December 31, 2018 and 2017 was \$99,790 and \$50,681 respectively.

Wintriss Technical Schools, Inc.
dba The League of Amazing Programmers
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

4. Net Assets with Donor Restrictions

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

	2018	2017
The San Diego Foundation	\$ 9,886	\$ -
Legler Benbough Foundation	5,500	5,500
ResMed Foundation	3,542	1,667
Price Philanthropies	2,920	2,000
San Diego Gas & Electric	6,250	2,500
	\$ 28,098	\$ 11,667

Net assets were released from donor restrictions as follows:

	2018	2017
Purpose of restriction accomplished:		
Expenses incurred and services provided to satisfy donor/grant restrictions	\$ 11,667	\$ 18,221

5. 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 \$2,208 and \$0 matching or nonelective contribution during the year ended December 31, 2018 and 2017 respectively.

6. Change in Accounting Principle

On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)—Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of the Organization's financial statements:

- The temporarily restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed *net assets without donor restrictions*.
- Statement of functional expenses is now required to be provided.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 1).