csnyc

nyc foundation for
computer science education

Audited Financial Statements

June 30, 2016

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The New York City Foundation for Computer Science Education, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The New York City Foundation for Computer Science Education, Inc. ("CSNYC"), which comprise the statement of financial position as of June 30, 2016, 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.

Auditors' 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 auditors' 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 organization'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 organization'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 The New York City Foundation for Computer Science Education, Inc. as of June 30, 2016, 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.

Report on Summarized Comparative Information

We have previously audited CSNYC's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.
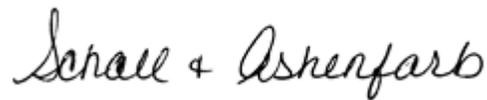
Schall & Ashenfarb
Certified Public Accountants, LLC

January 24, 2017

THE NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2016
(With comparative totals at June 30, 2015)

	6/30/16	6/30/15
Assets		
Cash and cash equivalents	$386,609	$118,367
Contributions and grants receivable	105,098	308,334
Security deposit	14,500	6,000
Total assets	$506,207	$432,701
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$100,899	$71,105
Pass-through grants payable (Note 3)	391,323	0
Total liabilities	492,222	71,105
Net assets:		
Unrestricted	13,985	53,262
Temporarily restricted (Note 4)	0	308,334
Total net assets	13,985	361,596
Total liabilities and net assets	$506,207	$432,701

The attached notes and auditors' report are an integral part of these financial statements.

THE NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
(With comparative totals for the year ended June 30, 2015)

	Unrestricted	Temporarily Restricted (Note 4)	Total 6/30/16	Total 6/30/15
Public support and revenue:				
Contributions	$666,010		$666,010	$1,348,536
Grant and contract income	138,498		138,498	0
Special event income (net of direct benefit to donors) (Note 5)	162,669		162,669	246,474
Net assets released from restriction	308,334	($308,334)	0	0
Total public support and revenue	1,275,511	(308,334)	967,177	1,595,010
Expenses:				
Program services	1,011,105		1,011,105	1,371,499
Management and general	156,053		156,053	108,054
Fundraising	147,630		147,630	75,150
Total expenses	1,314,788	0	1,314,788	1,554,703
Change in net assets	(39,277)	(308,334)	(347,611)	40,307
Net assets - beginning	53,262	308,334	361,596	321,289
Net assets - ending	$13,985	$0	$13,985	$361,596

The attached notes and auditors' report are an integral part of these financial statements.

THE NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(With comparative totals for the year ended June 30, 2015)

	Program Services	Management and General	Fundraising	Total Expenses 6/30/16	Total Expenses 6/30/15
Leased employees	$420,000	$87,823	$120,917	$628,740	$431,666
Payroll taxes and benefits	62,892	13,151	18,107	94,150	63,244
Total personnel services	482,892	100,974	139,024	722,890	494,910
Professional fees		17,100		17,100	147,849
CS Education program expenses	501,580			501,580	818,534
Travel and conferences	13,253	11,142	3,217	27,612	38,997
Occupancy	13,380	2,798	3,852	20,030	25,580
Office expenses		11,320		11,320	10,934
Insurance		3,325		3,325	2,316
Printing and postage		998		998	1,616
Special event expenses (Note 5)			1,537	1,537	13,052
Other expenses		8,396		8,396	915
Total expenses	$1,011,105	$156,053	$147,630	$1,314,788	$1,554,703

The attached notes and auditors' report are an integral part of these financial statements.

THE NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(With comparative totals for the year ended June 30, 2015)

	6/30/16	6/30/15
Cash flows from operating activities:		
Change in net assets	($347,611)	$40,307
Adjustments to reconcile change in net assets to		
net cash provided by/(used for) operating activities:		
Changes in assets and liabilities:		
Contributions and grants receivable	203,236	(291,667)
Security deposit	(8,500)	(3,900)
Accounts payable and accrued expenses	29,794	58,434
Pass-through grants payable	391,323	0
Total adjustments	615,853	(237,133)
Net cash flows provided by/(used for) operating activities/		
net increase/(decrease) in cash and cash equivalents	268,242	(196,826)
Cash and cash equivalents - beginning	118,367	315,193
Cash and cash equivalents - ending	$386,609	$118,367

Interest and tax expense - $0

The attached notes and auditors' report are an integral part of these financial statements.

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THE NEW YORK CITY FOUNDATION FOR COMPUTER SCIENCE EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 -   Organization

The New York City Foundation for Computer Science Education, Inc. ("CSNYC") is a nonprofit organization launched in 2013 to ensure that all children in local public schools have access to computer science education that will put them on a pathway to academic success and a 21st century career. By serving as New York City's "center of gravity" for local industry, CSNYC fosters collaboration among technology companies, universities, funders and policy makers to ensure that every student has access to a high quality computer science education. Revenue of CSNYC comes primarily from contributions.

CSNYC launched "Computer Science for All", a 10-year, $80 million plan to bring computer science to every student in the New York City public schools. "Computer Science For All" is a public/private partnership between the City of New York and the private sector, which are bearing project costs equally. Public dollars will support the infrastructure and human capital needed to pull off what will be the largest effort of its kind. Private dollars will support stipends for the nearly 5,000 teachers who will be trained over the next 10 years, as well as the efforts of programmatic partners and a rigorous program evaluation that includes regular reporting on progress and impact.

CSNYC is 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 as defined in Section 509(a).

Note 2 -   Significant Accounting Policies

a. Basis of Accounting
    The financial statements of CSNYC 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.

b. Basis of Presentation
    CSNYC reports information regarding its financial position and activities according to the following specific classes of net assets:

    ➢ *Unrestricted* – represents all activity without donor imposed restrictions.

    ➢ *Temporarily restricted* – relates to contributions of cash and other assets with donor stipulations that make clear the assets restriction, either due to a program nature or by passage of time.

    ➢ *Permanently restricted* – relates to contributions of cash and other assets whereby the assets must remain intact due to restrictions placed by the donor. There was no activity in the permanently restricted class of net assets for the years ended June 30, 2016 or June 30, 2015.

c. Contributions
    Contributions are recorded as unrestricted or restricted support depending on the existence and/or nature of any donor stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires within the same reporting period in which it was recognized.

    Contributions receivable are recognized as revenue in the period that a promise to give is considered unconditional in nature. Contributions expected to be received within one year are recorded at net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

d. Cash and Cash Equivalents
    CSNYC 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 CSNYC to concentration of credit risk consist of cash accounts which have been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At June 30, 2016, there were no significant uninsured balances.

    Contributions from one donor were approximately 68% of total revenue and support in 2015. There were no significant concentrations from donors in 2016.

f. Allowance for Doubtful Accounts
    All receivables at June 30, 2016 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 June 30, 2016, management deems all receivables to be collectible and, as such, has not established an allowance for doubtful accounts. Write-offs are charged to expense when all collection efforts have been exhausted.

g. Fixed Assets
    Fixed assets that CSNYC retains title to and capital items purchased which 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. CSNYC's current rental of premises includes the use of furniture and equipment; therefore, there were no fixed asset purchases made for the year ended June 30, 2016 or June 30, 2015.

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 in the financial statements. 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 of CSNYC.

j. Summarized Comparative Information
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CSNYC's financial statements for the year ended June 30, 2015 from which the summarized information was derived.

k. Accounting for Uncertainty of Income Taxes
CSNYC does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2014 (initial filing) and later are subject to examination by applicable taxing authorities.

l. Subsequent Events
Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through January 24, 2017, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, through our evaluation date that would require adjustment to or disclosure in the financial statements.

m. New Accounting Pronouncement
On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

CSNYC has not yet evaluated the impact this standard will have on future statements.

Note 3 - Pass-through Grants Payable

CSNYC supports schools, non-profits, and other organizations that manage computer science education programs. As part of this support, CSNYC receives funding on behalf of certain organizations. Because CSNYC does not have variance power over these funds, they are treated as exchange transactions. The amounts collected by CSNYC that have yet to be passed through to these organizations are reflected as a liability.

Note 4 - Temporarily Restricted Net Assets

Activity in the temporarily restricted class of net assets is related to donor-imposed time

restrictions, which elapsed during the fiscal year ended June 30, 2016.

Note 5 - **Special Event Income**

During the year ended June 30, 2016, CSNYC hosted two events: a free December donor cultivation event (no revenue was received) and a May fundraising event. The expenses where the donor received the direct benefit associated with these two events was $44,835. During the year ended June 30, 2015, CSNYC hosted one event and the expenses related to the direct benefit to donors was $14,736. Special event proceeds are summarized as follows:

	6/30/16	6/30/15
Event income	$207,504	$261,210
Less: expenses where donors		
receive a direct benefit	(44,835)	(14,736)
	162,669	246,474
Less: other event expenses	(1,537)	(13,052)
Total	$161,132	$233,422

Note 6 - **Related Party Transactions**

During the year ended June 30, 2015, one board member with expertise in computer science education was paid as an independent consultant and organizational advisor. Another board member was a paid employee during both the years ended June 30, 2016 and June 30, 2015, providing expertise on nonprofit governance, and launched and led CSNYC's $40 million capital campaign. Expenses related to the services provided by these board members totaled $135,000 for the year ended June 30, 2016 and $240,000 for the year ended June 30, 2015.

Note 7 - **Commitments**

CSNYC occupies office space in New York City on a month-to-month basis. Per the terms of this agreement, a security deposit of $14,500 was paid. There are no long-term contracts.