



Financial Statements

June 30, 2022 and 2021



4401 Dominion Boulevard
Glen Allen, Virginia 23060
Tel: 804.747.0000
www.keitercpa.com

CODEVA, INC.

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10
Supplemental Information:	
Schedule of Expenditures of Federal Awards	17
Notes to Schedule of Expenditures of Federal Awards	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	21
Schedule of Findings and Questioned Costs	24
Corrective Action Plan	26

INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors
CodeVA, Inc.
Richmond, Virginia

Report on the Audit and the Financial Statements

Opinion

We have audited the accompanying financial statements of CodeVA, Inc., (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CodeVA, Inc., as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; 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.

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 the Organization's ability to continue as a going concern within 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 generally accepted auditing standards and *Government Auditing Standards* 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 the Organization'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 judgement, there are conditions or events, considered in aggregate, that raise substantial doubt about the Organization'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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



April 21, 2023
Glen Allen, Virginia

CODEVA, INC.

Statements of Financial Position
June 30, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,180,064	\$ 2,639,990
Accounts receivable	-	1,717
Contributions and grants receivable	537,233	325,709
Other assets	3,800	3,800
Property and equipment, net	<u>19,730</u>	<u>28,912</u>
 Total assets	 <u>\$ 1,740,827</u>	 <u>\$ 3,000,128</u>
 <u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 80,991	\$ 49,340
Accrued payroll and taxes	<u>135,150</u>	<u>163,414</u>
 Total liabilities	 <u>216,141</u>	 <u>212,754</u>
Net assets:		
Without donor restrictions	1,269,764	1,245,056
With donor restrictions	<u>254,922</u>	<u>1,542,318</u>
 Total net assets	 <u>1,524,686</u>	 <u>2,787,374</u>
 Total liabilities and net assets	 <u>\$ 1,740,827</u>	 <u>\$ 3,000,128</u>

See accompanying notes to financial statements.

CODEVA, INC.

Statements of Activities
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions and grants	\$ 2,432,945	\$ 175,000	\$ 2,607,945
Program service fees	13,476	-	13,476
Interest income	838	-	838
In-kind contributions	<u>22,655</u>	<u>-</u>	<u>22,655</u>
Total support and revenue	<u>2,469,914</u>	<u>175,000</u>	<u>2,644,914</u>
Net assets released from restrictions	<u>1,462,396</u>	<u>(1,462,396)</u>	<u>-</u>
Expenses:			
Program services	2,521,539	-	2,521,539
Management and general	1,183,299	-	1,183,299
Fundraising	<u>202,764</u>	<u>-</u>	<u>202,764</u>
Total expenses	<u>3,907,602</u>	<u>-</u>	<u>3,907,602</u>
Change in net assets	24,708	(1,287,396)	(1,262,688)
Net assets, beginning of year	<u>1,245,056</u>	<u>1,542,318</u>	<u>2,787,374</u>
Net assets, end of year	<u>\$ 1,269,764</u>	<u>\$ 254,922</u>	<u>\$ 1,524,686</u>

See accompanying notes to financial statements.

CODEVA, INC.

Statements of Activities, Continued
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions and grants	\$ 2,567,318	\$ 1,470,000	\$ 4,037,318
Program service fees	45,133	-	45,133
Interest income	3,976	-	3,976
In-kind contributions	18,234	-	18,234
Forgiveness of refundable advance	122,510	-	122,510
Total support and revenue	<u>2,757,171</u>	<u>1,470,000</u>	<u>4,227,171</u>
Net assets released from restrictions	<u>30,313</u>	<u>(30,313)</u>	<u>-</u>
Expenses:			
Program services	1,581,342	-	1,581,342
Management and general	980,967	-	980,967
Fundraising	138,252	-	138,252
Total expenses	<u>2,700,561</u>	<u>-</u>	<u>2,700,561</u>
Loss on disposal of property and equipment	<u>15,819</u>	<u>-</u>	<u>15,819</u>
Change in net assets	71,104	1,439,687	1,510,791
Net assets, beginning of year	<u>1,173,952</u>	<u>102,631</u>	<u>1,276,583</u>
Net assets, end of year	<u>\$ 1,245,056</u>	<u>\$ 1,542,318</u>	<u>\$ 2,787,374</u>

See accompanying notes to financial statements.

CODEVA, INC.

Statements of Functional Expenses
Year Ended June 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,317,174	\$ 426,248	\$ 78,451	\$ 1,821,873
Consultants and professional fees	474,807	315,058	17,895	807,760
Employee benefits	352,867	84,439	65,655	502,961
Education services and supplies	131,472	62,401	3,479	197,352
Payroll taxes	113,248	37,107	8,014	158,369
Rent and occupancy	6,484	137,149	-	143,633
Meetings and conferences	60,431	45,935	25,951	132,317
Staff recruitment & development	17,489	45,068	1,724	64,281
Advertising	26,981	13,321	778	41,080
Other expenses	9,209	16,573	817	26,599
Depreciation	11,377	-	-	11,377
	<u>\$ 2,521,539</u>	<u>\$ 1,183,299</u>	<u>\$ 202,764</u>	<u>\$ 3,907,602</u>

See accompanying notes to financial statements.

CODEVA, INC.Statements of Functional Expenses, Continued
Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 942,573	\$ 436,761	\$ 88,026	\$ 1,467,360
Consultants and professional fees	227,228	213,550	3,475	444,253
Employee benefits	122,587	134,845	29,291	286,723
Education services and supplies	80,718	78,674	2,546	161,938
Payroll taxes	78,647	36,573	7,551	122,771
Rent and occupancy	71,917	15,893	2,900	90,710
Staff recruitment & development	2,180	40,359	890	43,429
Advertising	39,746	779	-	40,525
Meetings and conferences	3,187	13,918	3,146	20,251
Other expenses	6,363	9,615	427	16,405
Depreciation	6,196	-	-	6,196
	<u>\$ 1,581,342</u>	<u>\$ 980,967</u>	<u>\$ 138,252</u>	<u>\$ 2,700,561</u>

See accompanying notes to financial statements.

CODEVA, INC.

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,262,688)	\$ 1,510,791
Adjustments to reconcile change in net assets to net cash from operating activities:		
Forgiveness of refundable advance	-	(122,510)
Depreciation	11,377	6,196
Loss on disposal of property and equipment	-	15,819
Changes in operating assets and liabilities:		
Accounts receivable	1,717	3,681
Contributions and grants receivable	(211,524)	(242,609)
Accounts payable and accrued expenses	31,651	33,414
Accrued payroll and taxes	<u>(28,264)</u>	<u>94,265</u>
Net cash (used) provided by operating activities	<u>(1,457,731)</u>	<u>1,299,047</u>
Cash flows used in investing activities:		
Purchase of property and equipment	<u>(2,195)</u>	<u>(29,940)</u>
Net change in cash and cash equivalents	(1,459,926)	1,269,107
Cash and cash equivalents, beginning of year	<u>2,639,990</u>	<u>1,370,883</u>
Cash and cash equivalents, end of year	<u>\$ 1,180,064</u>	<u>\$ 2,639,990</u>

See accompanying notes to financial statements.

CODEVA, INC.

Notes to Financial Statements

1. Organization and Nature of Activities:

CodeVA, Inc. (the "Organization") is a private nonprofit Virginia corporation that partners with schools, parents, and communities to bring equitable computer science education to all of Virginia's students. The Organization was founded in 2013 and is primarily funded through grants and contributions.

2. Summary of Significant Accounting Policies:

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date. Estimates also affect the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash Equivalents: Cash equivalents consist of highly liquid investments with a purchased maturity of three months or less.

Accounts Receivable: The Organization is routinely involved in programs that result in unsecured receivables. Uncollectible receivables resulting from this type of transaction are charged to expense in the year an account is determined to be uncollectible.

Contributions and Grants Receivable: Contributions and grants receivable represent funds that the Organization will receive during future fiscal years. Contributions and grants receivable due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the contributions and grants are received. No allowance for uncollectible accounts has been provided because management has evaluated the receivables and believes they are fully collectible. All contributions and grants receivable as of June 30, 2022 and 2021 were due within one year.

Property and Equipment, Net: Property and equipment is recorded at cost, or if donated, at fair market value on the date of the gift. Equipment is depreciated using the straight-line method over the estimated useful lives of 5-7 years for furniture and fixtures and 3 years for software. When property and equipment are sold or retired, their costs and related accumulated depreciation are removed from the accounts and any gains or losses realized are reflected in the statements of activities.

Compensated Absences: Effective in 2021, the Organization's employees are entitled to carry over paid annual leave earned in the current or prior years to future years. Accrued compensated absences of \$74,562 at June 30, 2022 and \$54,514 at June 30, 2021 are included in accrued payroll and taxes in the accompanying statements of financial position.

CODEVA, INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

In-Kind Contributions: In-kind contributions, which meet established reporting criteria, are included in contributions and the appropriate expense category, at fair market value as of the date of donation. See Note 6.

Classification of Net Assets: The Organization's net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for general use that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. See Note 5.

Revenue Recognition: The Organization follows ASC 958 which prescribes a specific framework for not-for-profit entities to determine whether revenue streams qualify as exchange-based or non-exchange-based transactions. Substantially all of the Organization's revenue is from direct public support and cost reimbursement grants, accounted for as contributions. Contributions which include unconditional promises to give are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been substantially met. Contributions are considered to be unrestricted unless specifically restricted by the donor. Program support grants are recognized as revenue at the time of award if they are unconditional.

The Organization reports grants and contributions in the net assets with donor restrictions class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released and reclassified to net assets without donor restrictions in the statements of activities. However, if restrictions on grants and contributions are met in the same reporting period as the grant or contribution is received, the revenues are reported as increases in net assets without donor restrictions.

Revenue from program service fees is recognized over the period to which the program services are performed.

Advertising Costs: The Organization follows the policy of charging advertising costs to expense as incurred. Advertising expense was \$41,080 for 2022 and \$40,525 for 2021.

CODEVA, INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Functional Allocation of Expenses: The statements of activities report expenses by their functional classification. The statements of functional expenses present expenses by functional and natural classification. Certain natural categories of expenses are attributable to more than one function, and thus require a reasonable allocation that is consistently applied. Costs are applied based on direct identification.

Income Taxes: The Organization is a qualifying non-profit entity as defined under section 501(c)(3) of the Internal Revenue Code and the tax statutes of the Commonwealth of Virginia and is therefore exempt from federal and state income taxation.

Income Tax Uncertainties: The Organization follows FASB guidance for how uncertain tax positions should be recognized, measured, disclosed, and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year.

The Organization has determined that it does not have any significant unrecognized tax benefits or obligations as of June 30, 2022 or 2021. The Organization is not currently under audit by any tax jurisdiction.

Concentration of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents and contributions and grants receivable. The Organization maintains its cash and cash equivalent balances in large financial institutions. The balances at times may exceed federally insured limits and is monitored by management to minimize credit risk.

Contributions and grants receivable are from businesses, government entities, and foundations. For 2022, two grantors comprised 34% of total revenue, and as of June 30, 2022, one grantor comprised 71% of contributions and grants receivable. For 2021, two grantors comprised 78% of total revenue, and as of June 30, 2021, two grantors comprised 74% of contributions and grants receivable. The Organization believes its credit risk related to these grants receivable is limited due to the nature of its grantors. The ability to collect receivables is affected by the general economic conditions.

CODEVA, INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Subsequent Events: Management has evaluated subsequent events through April 21, 2023, the date the financial statements were available for issuance, and has determined there are no subsequent events to be reported in the accompanying financial statements.

3. Liquidity and Availability of Financial Assets:

Financial assets available for general expenditure within one year of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets available within one year:		
Cash and cash equivalents	\$ 1,180,064	\$ 2,639,990
Accounts receivable	-	1,717
Contributions and grants receivable	<u>537,233</u>	<u>325,709</u>
 Total financial assets available within one year	 1,717,297	 2,967,416
 Less those unavailable for general expenditure:		
Net assets with donor restrictions	<u>254,922</u>	<u>1,542,318</u>
 Financial assets available within one year for general expenditure	 <u>\$ 1,462,375</u>	 <u>\$ 1,425,098</u>

As a part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

CODEVA, INC.

Notes to Financial Statements, Continued

4. Property and Equipment, Net:

Property and equipment consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Furniture, fixtures, and equipment	\$ 8,690	\$ 6,495
Website	29,940	29,940
Less: accumulated depreciation	<u>(18,900)</u>	<u>(7,523)</u>
Property and equipment, net	<u>\$ 19,730</u>	<u>\$ 28,912</u>

Depreciation expense totaled \$11,377 for 2022 and \$6,196 for 2021.

5. Net Assets With Donor Restrictions:

The Organization receives contributions and grants for specific student or educator programs. Net assets with donor restrictions consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Student programs	\$ 84,263	\$ 184,918
Educator programs	<u>170,659</u>	<u>1,357,400</u>
	<u>\$ 254,922</u>	<u>\$ 1,542,318</u>

Net assets with donor restrictions totaling \$1,462,396 for 2022 and \$30,313 for 2021 were released from restriction when expenses were incurred for the restricted purposes.

6. Contributed Nonfinancial Assets:

Newly Adopted Accounting Standards: In September 2020, the FASB issued new guidance related to contributions of non-financial assets received (ASU 2020-07) which amends previous guidance concerning presentation and disclosure of non-financial assets received. Specifically, the amendments require (1) presentation as a separate line item of contributed non-financial assets and (2) disclosure of information about each category of non-financial assets. The Organization adopted the standard during 2022, under the full retrospective transition method.

CODEVA, INC.

Notes to Financial Statements, Continued

6. Contributed Nonfinancial Assets, Continued:

For years ended June 30, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2022</u>	<u>2021</u>
Services	\$ 20,475	\$ -
Event supplies	2,180	-
Computers	-	5,184
Software licenses	-	13,050
	<u>\$ 22,655</u>	<u>\$ 18,234</u>

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. The value of contributed services and materials that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and are of the type that would have been purchased if not contributed. Donated services and materials were valued at the standard market rates charged for those services to cash-paying customers.

The Organization was provided with website design services to help improve the home website.

The Organization received event supplies in order to support a fundraising event.

7. Commitments and Contingencies:

The Organization has two leases for office space and an education center under operating leases through December 31, 2024.

Future minimum payments for noncancellable lease are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2023	\$ 53,689
2024	55,504
2025	<u>23,248</u>
	<u>\$ 132,441</u>

Rent expense totaled \$74,669 for 2022 and \$57,674 for 2021.

CODEVA, INC.

Notes to Financial Statements, Continued

8. COVID-19 and Paycheck Protection Program Loan:

In March 2020, COVID-19 was declared a worldwide health pandemic and has had a significant impact on the national and global economy. As a result, during 2020 and 2021, certain programs were moved to an online format.

During 2020, the Organization applied for and received a loan under the Paycheck Protection Program (PPP) totaling \$122,510. The loan was accounted for as a refundable advance until the conditions for forgiveness were substantially met. During 2021, the Organization received full forgiveness and the refundable advance was recognized as revenue

9. Accounting Standards Updates:

Leases: The FASB issued ASU 2016-02: “Leases”, which requires that all leasing activity with initial terms in excess of twelve months be recognized on the statement of financial position with a right of use asset and a lease liability. The standard will require entities to classify leases as with a finance or operating lease based upon the contractual terms. ASU 2020-05 allowed deferral of this adoption to periods beginning after December 15, 2021. The Organization is currently evaluating the implications of this new standard.

Current Expected Credit Losses: In June 2016, the FASB issued ASU 2016-13 – Current Expected Credit Losses (“CECL”), which replaces the current incurred loss model used to measure impairment loss with the expected loss model for financial assets measured at amortized cost. The standard will be effective for private companies and not-for-profits with years beginning after December 15, 2023. The Organization is currently evaluating the impact that CECL will have on its financial reporting.

SUPPLEMENTAL INFORMATION

CODEVA, INC.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
National Science Foundation: Education and Human Resources	47.076	<u>\$ 261,504</u>	<u>\$ 904,276</u>

See independent auditor's report.

CODEVA, INC.

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of CodeVA, Inc. under the programs of the federal government for the year ended June 30, 2022. This information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of CodeVA, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of CodeVA, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

CodeVA, Inc. has elected not to use the 10% de minimis indirect cost rate.

See independent auditor's report.