

**NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN**

**AUDITED BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**(WITH AUDITOR'S REPORT THEREON)**

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
PORTLAND, OREGON  
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JUNE 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Non-Profit Technology Enterprise Network D/B/A NTEN  
Portland, Oregon

### **Opinion**

We have audited the accompanying financial statements of Non-Profit Technology Enterprise Network D/B/A NTEN (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, changes in net assets, and cash flows for the year 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 Non-Profit Technology Enterprise Network D/B/A NTEN as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Non-Profit Technology Enterprise Network D/B/A NTEN and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Non-Profit Technology Enterprise Network D/B/A NTEN'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 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 judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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 Non-Profit Technology Enterprise Network D/B/A NTEN'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Non-Profit Technology Enterprise Network D/B/A NTEN'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.

Gregg S. Bossen, CPA, PC  
Atlanta, Georgia  
October 9, 2023

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A N TEN  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023

ASSETS

|                                   | <u>WITHOUT DONOR<br/>RESTRICTIONS</u> | <u>WITH DONOR<br/>RESTRICTIONS</u> | <u>TOTAL</u>     |
|-----------------------------------|---------------------------------------|------------------------------------|------------------|
| <b>CURRENT ASSETS:</b>            |                                       |                                    |                  |
| Cash and Cash Equivalents         | \$1,501,269                           | \$854,905                          | \$2,356,174      |
| Investments                       | 2,091,663                             |                                    | 2,091,663        |
| Grants Receivable                 | 68,478                                | 250,000                            | 318,478          |
| Accounts Receivable               | 18,425                                |                                    | 18,425           |
| Prepaid expenses and deposits     | 22,984                                |                                    | 22,984           |
| Total Current Assets              | 3,702,819                             | 1,104,905                          | 4,807,724        |
| <b>LONG-TERM FIXED ASSETS:</b>    |                                       |                                    |                  |
| Long-Term Fixed Assets            | 425,390                               |                                    | 425,390          |
| Less Accumulated Depreciation     | (362,573)                             |                                    | (362,573)        |
| Total Long-Term Fixed Assets, net | 62,817                                | -0-                                | 62,817           |
| <b>TOTAL ASSETS</b>               | <b>3,765,636</b>                      | <b>1,104,905</b>                   | <b>4,870,541</b> |

LIABILITIES AND NET ASSETS

|   |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| <b>CURRENT LIABILITIES:</b>             |                    |                    |                    |
| Accounts Payable & Accrued Expenses     | 87,964             |                    | 87,964             |
| Credit Card Payable                     | 5,706              |                    | 5,706              |
| Payroll Liabilities                     | 60,030             |                    | 60,030             |
| Deferred Revenue                        | 2,697,647          |                    | 2,697,647          |
| Total Current Liabilities               | 2,851,347          | -0-                | 2,851,347          |
| <b>NET ASSETS:</b>                      |                    |                    |                    |
| Without Donor Restrictions              | 914,289            |                    | 914,289            |
| With Donor Restrictions                 | -0-                | 1,104,905          | 1,104,905          |
|   | 914,289            | 1,104,905          | 2,019,194          |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$3,765,636</b> | <b>\$1,104,905</b> | <b>\$4,870,541</b> |

See Auditor's Report and Notes to Financial Statements

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A N TEN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

|  | <u>WITHOUT DONOR<br/>RESTRICTIONS</u> | <u>WITH DONOR<br/>RESTRICTIONS</u> | <u>TOTAL</u>       |
|--|---------------------------------------|------------------------------------|--------------------|
| <b>PUBLIC SUPPORT &amp; REVENUE:</b>           |                                       |                                    |                    |
| <u>Public Support:</u>                         |                                       |                                    |                    |
| Contributions – Organizations & Foundations    | \$2,052,990                           | \$743,838                          | \$2,796,828        |
| Contributions – Corporations                   | 192,885                               | 34,615                             | 227,500            |
| Government Grants                              | 6,154                                 | 33,846                             | 40,000             |
| Contributions – Individuals                    | 2,357                                 |                                    | 2,357              |
| In-Kind Contributions                          | 7,558                                 |                                    | 7,558              |
| Net Assets, Restrictions Met                   | 682,651                               | (682,651)                          |                    |
| Total Public Support                           | <u>2,944,595</u>                      | <u>129,648</u>                     | <u>3,074,243</u>   |
| <u>Other Revenue:</u>                          |                                       |                                    |                    |
| Conference Registrations                       | 672,354                               |                                    | 672,354            |
| Exhibitors Revenue                             | 410,499                               |                                    | 410,499            |
| Membership Dues                                | 141,442                               |                                    | 141,442            |
| Sponsorship Revenue                            | 121,000                               |                                    | 121,000            |
| Course Registrations                           | 75,398                                |                                    | 75,398             |
| Job Board Revenue                              | 27,026                                |                                    | 27,026             |
| Investment Income, Net of Costs                | 45,649                                |                                    | 45,649             |
| Miscellaneous Revenue                          | 3                                     |                                    | 3                  |
| Total Other Revenue                            | <u>1,493,371</u>                      | <u>-0-</u>                         | <u>1,493,371</u>   |
| Total Public Support and Revenue               | <u>4,437,966</u>                      | <u>129,648</u>                     | <u>4,567,614</u>   |
| <b>EXPENSES:</b>                               |                                       |                                    |                    |
| <u>Program Services:</u>                       |                                       |                                    |                    |
| Non-Profit Technology Conference               | 2,061,541                             |                                    | 2,061,541          |
| Educational Resources                          | 2,408,732                             |                                    | 2,408,732          |
| Membership                                     | 263,503                               |                                    | 263,503            |
| Tech Accelerate                                | 60,139                                |                                    | 60,139             |
| Total Programs                                 | <u>4,793,915</u>                      | <u>-0-</u>                         | <u>4,793,915</u>   |
| Management & General                           | 314,941                               |                                    | 314,941            |
| Fundraising                                    | 43,316                                |                                    | 43,316             |
| Total Expenses                                 | <u>5,152,172</u>                      | <u>-0-</u>                         | <u>5,152,172</u>   |
| CHANGES IN NET ASSETS, BEFORE INVESTMENT GAINS | (714,206)                             | 129,648                            | (584,558)          |
| Unrealized Gains on Investments                | <u>89,010</u>                         |                                    | <u>89,010</u>      |
| CHANGES IN NET ASSETS, AFTER INVESTMENT GAINS  | <u>(\$625,196)</u>                    | <u>\$129,648</u>                   | <u>(\$495,548)</u> |

See Auditor's Report and Notes to Financial Statements

NON PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

|                         | PROGRAM SERVICES                       |                          |                  |                    |                         |                 |                    |
|-------------------------|--|--------------------------|------------------|--------------------|-------------------------|-----------------|--------------------|
|                         | NON-PROFIT<br>TECHNOLOGY<br>CONFERENCE | EDUCATIONAL<br>RESOURCES | MEMBERSHIP       | TECH<br>ACCELERATE | MANAGEMENT<br>& GENERAL | FUNDRAISING     | TOTAL              |
| Contracted Services     | \$271,325                              | \$1,790,996              | \$28,816         | \$41,439           | \$4,724                 |                 | \$2,137,300        |
| Salaries & Wages        | 470,700                                | 301,997                  | 165,437          | 6,763              | 191,687                 | 32,948          | 1,169,532          |
| Catering                | 550,888                                |                          |                  |                    |                         |                 | 550,888            |
| Audio & Visual          | 209,592                                |                          |                  |                    |                         |                 | 209,592            |
| Fringe Benefits         | 72,597                                 | 46,578                   | 25,516           | 1,043              | 29,565                  | 5,082           | 180,381            |
| Online Services         | 79,992                                 | 72,645                   | 6,260            | 943                | 769                     | 2,500           | 163,109            |
| Travel                  | 66,895                                 | 71,403                   | 325              | 50                 | 40                      |                 | 138,713            |
| Payroll Taxes           | 39,800                                 | 25,535                   | 13,988           | 572                | 16,208                  | 2,786           | 98,889             |
| Facility Rental         | 73,042                                 |                          |                  |                    |                         |                 | 73,042             |
| Electrical & Internet   | 71,385                                 |                          |                  |                    |                         |                 | 71,385             |
| Supplies                | 58,451                                 | 6,223                    | 589              | 90                 | 73                      |                 | 65,426             |
| Accessibility Services  | 25,097                                 | 34,259                   | 1,573            | 99                 | 81                      |                 | 61,109             |
| Professional Fees       |  |                          |                  |                    | 54,057                  |                 | 54,057             |
| Depreciation            | 11,718                                 | 11,718                   | 11,718           | 6,203              | 10,338                  |                 | 51,695             |
| Bank & Credit Card Fees | 16,500                                 | 23,578                   | 2,240            | 343                | 280                     |                 | 42,941             |
| Telephone & Internet    | 7,560                                  | 10,804                   | 1,027            | 157                | 128                     |                 | 19,676             |
| Printing                | 18,956                                 | 6                        |                  |                    |                         |                 | 18,962             |
| Occupancy Costs         | 4,170                                  | 4,170                    | 4,170            | 2,208              | 3,678                   |                 | 18,396             |
| Marketing & Promotion   | 4,415                                  | 6,309                    | 599              | 92                 | 75                      |                 | 11,490             |
| Meetings & Meals        | 4,861                                  | 109                      |                  |                    | 131                     |                 | 5,101              |
| Postage & Shipping      | 2,249                                  | 392                      | 903              | 5                  | 4                       |                 | 3,553              |
| Licenses & Permits      | 766                                    |                          |                  |                    | 1,385                   |                 | 2,151              |
| Dues & Subscriptions    | 490                                    | 1,225                    | 130              | 130                |                         |                 | 1,975              |
| Insurance               |  |                          |                  |                    | 1,180                   |                 | 1,180              |
| Staff Development       | 92                                     | 785                      | 212              | 2                  | 2                       |                 | 1,093              |
| Bad Debt Expense        |  |                          |                  |                    | 398                     |                 | 398                |
| Miscellaneous           |  |                          |                  |                    | 138                     |                 | 138                |
| <b>TOTAL EXPENSES</b>   | <b>\$2,061,541</b>                     | <b>\$2,408,732</b>       | <b>\$263,503</b> | <b>\$60,139</b>    | <b>\$314,941</b>        | <b>\$43,316</b> | <b>\$5,152,172</b> |

See Auditor's Report and Notes to Financial Statements

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2023

|  | <u>WITHOUT DONOR<br/>RESTRICTIONS</u> | <u>WITH DONOR<br/>RESTRICTIONS</u> | <u>TOTAL</u>              |
|--|---------------------------------------|------------------------------------|---------------------------|
| BALANCE, JUNE 30, 2022, BEFORE<br>PRIOR PERIOD ADJUSTMENTS | \$1,294,838                           | \$975,257                          | \$2,270,095               |
| PRIOR PERIOD ADJUSTMENTS                                   | <u>244,647</u>                        | <u>-0-</u>                         | <u>244,647</u>            |
| BALANCE, JUNE 30, 2022, AFTER PRIOR<br>PERIOD ADJUSTMENTS  | 1,539,485                             | 975,257                            | 2,514,742                 |
| CHANGES IN NET ASSETS                                      | <u>(625,196)</u>                      | <u>129,648</u>                     | <u>(495,548)</u>          |
| BALANCE, JUNE 30, 2023                                     | <u><u>\$914,289</u></u>               | <u><u>\$1,104,905</u></u>          | <u><u>\$2,019,194</u></u> |

See Auditor's Report and Notes to Financial Statements



NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023

|   |                    |
|---|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:   |                    |
| Changes in Net Assets   | (\$495,548)        |
| Adjustments to reconcile Deficiency to net cash provided by operating activities: |                    |
| Less Unrealized Gains on Investments  | (89,010)           |
| Depreciation  | 51,695             |
| Decrease in Receivables   | 383,864            |
| Decrease in Prepaid expenses and deposits   | 21,201             |
| (Decrease) in Accounts Payable & Accrued expenses                                 | (12,378)           |
| (Decrease) in Credit Card Payable   | (664)              |
| (Decrease) in Payroll Liabilities   | (6,389)            |
| Increase in Deferred Revenue  | 682,647            |
| Net cash provided by operating activities   | <u>535,418</u>     |
|   |                    |
| CASH FLOWS FROM INVESTING ACTIVITIES:   |                    |
| Sales of securities   | 4,190,239          |
| Purchase of securities  | <u>(4,759,560)</u> |
| Net cash (used) by investing activities   | <u>(569,321)</u>   |
|   |                    |
| NET CHANGE IN CASH  | (33,903)           |
| CASH AT BEGINNING OF YEAR   | <u>2,390,077</u>   |
| CASH AT END OF YEAR   | <u>\$2,356,174</u> |

See Auditor's Report and Notes to Financial Statements

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(A) Nature of organization:

Non-Profit Technology Enterprise Network D/B/A NTEN (NTEN or the Organization) is a Washington non-profit public benefit corporation founded in August 2000. Its purpose is to operate exclusively for charitable or educational purposes, including educating the public, and members of the philanthropic community, and other Section 501(c)(3) organizations on how technology can help to advance charitable missions.

NTEN helps nonprofits meet their missions and community needs through the strategic and racially equitable use of technology. NTEN's community is made up of both nonprofit staff and organizations, including nonprofits, technology support organizations, consultants, and vendors. All members are supported in finding peers, connecting with services, developing professional support networks, and sharing resources to collectively advance the application of technology towards charitable missions.

NTEN's programs include the annual Nonprofit Technology Conference, professional certificates, cohort training programs, local Tech Clubs and online forums, original research, and other online resources. For the year ended June 30, 2023, NTEN operated the following programs:

(i) Non-profit Technology Conference:

The Non-profit Technology Conference (NTC) is NTEN's annual flagship event, traditionally held as an in-person event. In 2022, the NTC was all virtual, still gathering nearly 2,000 nonprofit professionals, nonprofit technology service providers, and consultants to focus on using technology skillfully and equitably. The event featured nearly 180 educational sessions on topics for staff across all departments and technology adoption levels, a virtual exhibit hall highlighting the latest nonprofit products and services, and diverse networking opportunities.

(ii) Educational Resources:

NTEN provides an array of educational resources, including the Nonprofit Technology Professional Certificate and the Digital Equity Professional Certificate, online certificate programs that include customizable course focus areas and projects; the Nonprofit Technology Readiness program, a 6-month incubator for nonprofit staff that combines technology management training with support to advance a specific technology project for their organization; original research, including annual surveys and reports, and responsive investigations; and online courses tackling diverse topics for all nonprofit staff.

Another Educational Resource is the Digital Inclusion Fellowship. Launched in 2014, the Digital Inclusion Fellowship builds the capacity of existing nonprofit organizations that are already connected to and serving communities most impacted by digital divides to integrate digital literacy programs into existing program and service models. Fellows design, pilot, and expand programs during their one-year Fellowship as well as participate in in-depth training, monthly courses, and extensive coaching. Fellows often launch or lead local digital equity coalitions and contribute to national efforts to advance digital equity in the US.

See Auditor's Report

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(iii) Membership:

NTEN members invest in and sustain NTEN programming and the community. Members receive the following benefits:

1. 50% off in-depth courses, Nonprofit Technology Professional Certificate, and workshops
2. Access to a \$250 discounted registration rate for the Nonprofit Technology Conference
3. 50% off NTEN job board posts
4. Subscription to NTEN's nonprofit tech discussion forum
5. Ability to submit a pitch and write for NTEN's blog
6. Full access to original research and industry reports

(iv) Tech Accelerate:

NTEN's Tech Accelerate is a free, online, comprehensive technology adoption assessment tool that includes both practices and policies as well as specific technology resources to provide a full view of an organization's position for effectiveness. The assessment and the data that powers the reporting come from over a decade of research in nonprofit technology staffing and investments. Completing an assessment provides an organization with an overall rating, category ratings, individual question results, and dynamic benchmarking options to compare to other similar organizations.

(B) Basis of Presentation:

These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. These statements reflect the application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under these standards, all contributions are immediately recognized as revenue as soon as pledged (or if not pledged when received) regardless of any restrictions on use placed by the contributor. The basic financial statements are then shown divided into two net asset groups. These are:

Without Donor Restrictions:

All assets that either have no imposed restrictions on use or whose restrictions have been met by June 30, 2023.

With Donor Restrictions:

All contributions by organizations, foundations, corporations, and individuals with restrictions on use that have not been met by June 30, 2023. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration of the time and/or purpose of the restrictions, donor restricted net assets are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

See Auditor's Report

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(C) Support and Revenues:

NTEN recognizes the contributions and exchange transactions based on the FASB ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. Also, ASU 2018-08 clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional.

Additionally, effective January 1, 2020, the Organization adopted Accounting Standards Codification (ASC) 606. *Revenue from Contracts with Customers* and has recognized exchange transactions following the five-step framework listed below which was used to determine the amount and timing of revenue recognition:

- Identify the contract(s) with the customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) the entity satisfies a performance obligation.

The Support and Revenue for the organization are as follows:

Organization & Foundation Grants (Contributions):

Support from these sources is recognized in the accounting period in which the grants are pledged (or if not pledged, when received). Additionally, contributions with conditions are not recognized until the conditions have been met.

Corporate Contributions:

Revenue from these sources is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received). Additionally, contributions with conditions are not recognized until the conditions have been met.

Individual Contributions:

Revenue from these sources is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received). Additionally, contributions with conditions are not recognized until the conditions have been met.

Government Grants (Contributions):

Revenue from these sources is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received). Additionally, contributions with conditions are not recognized until the conditions have been met.

See Auditor's Report

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Conference Registrations (Exchange Transactions):

Registration fees for the annual conference are earned when the conference is completed. This revenue is recognized in the accounting period when the annual conference occurs.

Exhibitors Revenue (Exchange Transactions):

Exhibitor fees for the annual conference are earned when the conference is completed. This revenue is recognized in the accounting period when the annual conference occurs.

Membership Dues (Exchange Transactions):

Membership dues are recognized as revenue in the applicable membership period.

Sponsorship Revenue (Exchange Transactions):

Sponsorship fees for the annual conference are earned when the conference is completed. This revenue is recognized in the accounting period when the annual conference occurs.

Course Registrations (Exchange Transactions):

Registration fees for NTEN's courses are earned when the course is completed. This revenue is recognized in the accounting period when the course occurs.

Job Board Revenue (Exchange Transactions):

Fees earned for posting on NTEN's Job Board. This revenue is recognized in the accounting period when the job posting occurs.

(D) Income Taxes:

NTEN is exempt from income taxes under Section 501 (c) (3) of the United States Internal Revenue Code. During the year ended June 30, 2023, NTEN had no unrelated business income as defined by Section 512 of the Code and, therefore no provision for income tax is necessary.

NTEN adopted the income standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect for NTEN. NTEN is no longer subject to federal tax examinations if the statute of limitations has expired.

See Auditor's Report

NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK  
D/B/A NTEN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(E) Receivables:

NTEN has two different kinds of receivables. Grants receivable consist of uncollected grant awards. The accounts receivable consist of unpaid membership dues, course registration fees, and payroll advances. NTEN carries its receivables at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. NTEN uses the allowance method to determine uncollectible receivables. NTEN evaluates its receivables and establishes an allowance for doubtful accounts based on its past experience and current credit conditions. Based on management's evaluation of the collectability of the receivables, no allowance for doubtful accounts was recorded for the year ended June 30, 2023.

The receivables for NTEN are expected to be collected as follows as of June 30, 2023:

|                           | <u>Grants</u><br><u>Receivable</u> | <u>Accounts</u><br><u>Receivable</u> | <u>Total</u> |
|---------------------------|------------------------------------|--------------------------------------|--------------|
| Due within one year       | \$318,478                          | \$18,425                             | \$336,903    |
| Total Receivable balances | \$318,478                          | \$18,425                             | \$336,903    |

(F) Fixed Assets:

NTEN follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$1,000. Depreciation is computed on the straight-line method over 5 to 7 years for database, computer software, office equipment, and furniture.

(G) Estimates:

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

(H) Functional Allocation of Expenses:

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on the basis of periodic time and expense studies. Management and general expenses include those that are not directly identifiable with any other specific function but provide for the overall support and direction of NTEN.

(I) Concentration of Credit Risk:

NTEN maintains bank accounts with financial institutions whose balances are insured by the Federal Deposit Insurance Corporation (FDIC) within limits. Periodically, bank account balances may exceed FDIC coverage. No credit risk is expected from uninsured deposits.

(J) Concentration of Major Source of Revenue:

NTEN received \$1,537,353 from The Harry and Jeanette Weinberg Foundation which is greater than 10% of its total public support and revenue of \$4,567,614.

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NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(K) Evaluation of Subsequent Events:

NTEN's ongoing profitability may experience instability and estimates included in the financial statements may change due to current political and economic conditions as a result of the public health concerns related to the novel coronavirus, or COVID-19. The duration and intensity of these impacts and resulting disruption to which these events affect the organization's business will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Management considered all events through October 9, 2023, the date the financial statements were available for release, in preparing the financial statements and the related disclosures. Management is not aware of any significant events that occurred subsequent to June 30, 2023, but prior to the issuance of this report, that would have a material impact on the financial statements.

NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following represents NTEN's financial assets at June 30, 2023:

|  |                    |
|--|--------------------|
| Financial assets at year-end, net of current liabilities:  |                    |
| Cash and cash equivalents  | \$2,356,174        |
| Investments  | 2,091,663          |
| Grants Receivable  | 318,478            |
| Accounts Receivable  | 18,425             |
| Prepaid expenses and deposits  | 22,984             |
| Less: Current Liabilities  | <u>(2,851,347)</u> |
| Total financial assets, net of current liabilities   | 1,956,377          |
|  |                    |
| Financial assets available to meet cash needs for general expenditures over the next twelve months | <u>\$1,956,377</u> |

NTEN's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$770,000). As a part of its liquidity plan, excess cash is invested in money market accounts and certificates of deposit.

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NOTE 3: FAIR VALUE OF INVESTMENTS:

As required by FASB Accounting Standards Codification (ASC) 820, investments are valued at their fair value in the Statement of Financial Position. In accordance with the statement, fair value is defined as the price that the Organization would receive upon selling an asset in an orderly transaction to an independent buyer in the principal or most advantageous market of the asset. A three-tier hierarchy was established by the ASC to maximize the use of the observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Inputs that are unobservable, including the Organization's own assumptions in determining the fair value of assets.

In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the asset in its entirety falls is determined based on the lowest level input that is significant to the asset in its entirety. Assessing the significance of a particular input to the asset in its entirety requires judgment and considers factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's perceived risk of liquidity profile of that asset.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2021:

|                              | <u>Level 1</u>     | <u>Level 2</u> | <u>Level 3</u> |
|------------------------------|--------------------|----------------|----------------|
| Large Cap                    | \$416,853          |                |                |
| Middle Cap                   | 47,950             |                |                |
| Small Cap                    | 268,391            |                |                |
| Long-Term Corporate Bonds    | 167,931            |                |                |
| Long-Term US Treasury Bonds  | 75,642             |                |                |
| Short-Term US Treasury Bills | 1,114,896          |                |                |
|                              | <u>\$2,091,663</u> | <u>\$-0-</u>   | <u>\$-0-</u>   |

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NOTE 4: LONG-TERM FIXED ASSETS:

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. At June 30, 2023, the value of such assets is as follows:

|                                |                        |
|--------------------------------|------------------------|
| Database                       | \$247,146              |
| Computer Software              | 156,995                |
| Furniture & Equipment          | 21,249                 |
| Less: Accumulated Depreciation | <u>(362,573)</u>       |
| Total Long-Term Fixed Assets   | <u><u>\$62,817</u></u> |

NOTE 5: DEFERRED REVENUE:

Deferred revenue represents grants with conditions that have not yet been met. In accordance with ASU 2018-08 (Topic 958), revenue is recognized when the conditions have been met. (See Note 1(C)). For the year ended June 30, 2023, the total deferred revenue is \$2,697,647.

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Deferred Revenue is recorded as a current liability on the Statement of Financial Position.

NOTE 6: DONOR RESTRICTIONS ON NET ASSETS:

For the year ended June 30, 2023, Donor Restrictions on Net Assets are available for the following purposes:

|   |                           |
|---|---------------------------|
| Project support for nonprofit tech readiness for reaching donor cohorts       | \$500,000                 |
| Grantee Capacity Building Program   | 457,097                   |
| Digital Inclusion & Literacy Training Fellowships and Cohorts                 | 109,450                   |
| Digital Equity & Inclusion Coalition Building services                        | 33,846                    |
| To be used for technology assessment and cybersecurity support for nonprofits | 3,000                     |
| To develop technology management training and presentations                   | <u>1,512</u>              |
| Total Donor Restrictions on Net Assets  | <u><u>\$1,104,905</u></u> |

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NOTE 7: IN-KIND CONTRIBUTIONS:

NTEN receives in-kind contributions throughout the year. Contributions and the corresponding expenses are booked at fair market value in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) and consist of the following for the year ended June 30, 2023:

|                             |         |
|-----------------------------|---------|
| Accessibility Services      | \$7,558 |
| Total In-Kind Contributions | \$7,558 |

NOTE 8: PRIOR PERIOD ADJUSTMENTS:

For the year ended June 30, 2020 and June 30, 2021, two prior period adjustments were needed to record grant receivables due from federal covid related tax credits which were not known or applied for at the original issuance of the financial statements.

In accordance with Generally Accepted Accounting Principles, the prior period adjustments are shown on the Statement of Changes in Net Assets as Prior Period Adjustments and are detailed below:

|                                | <u>WITHOUT<br/>DONOR<br/>RESTRICTIONS</u> | <u>WITH<br/>DONOR<br/>RESTRICTIONS</u> | <u>TOTAL</u> |
|--------------------------------|---|--|--------------|
| 2020 Grant receivable          | \$65,322                                  |  | \$65,322     |
| 2021 Grant receivable          | 179,325                                   |  | 179,325      |
|                                |   |  |              |
| Total Prior Period Adjustments | \$244,647                                 | \$-0-                                  | \$244,647    |

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