

TEAM4TECH FOUNDATION
(A Non-profit Organization)

FINANCIAL STATEMENTS

June 30, 2022

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CERTIFIED PUBLIC
ACCOUNTANTS AND
BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Team4Tech Foundation
San Mateo, California**

Opinion

We have audited the accompanying financial statements of Team4Tech Foundation (A Non-Profit Organization), which comprise the statement of financial position as of June 30, 2022, and the related statement of activities, functional expenses, 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 Team4Tech Foundation as of June 30, 2022, and the changes in its net assets and cash flows for the years 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Team4Tech Foundation 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 Team4Tech Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Team4Tech Foundation'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 Team4Tech Foundation'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.

WSRP, LLC

Salt Lake City, Utah
April 28, 2023

TEAM4TECH FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2022

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 997,926
Pledges receivable	586,121
Prepaid expenses	16,798
Other current assets	<u>77,096</u>
TOTAL CURRENT ASSETS	<u>1,677,941</u>
TOTAL ASSETS <u><u>\$ 1,677,941</u></u>	
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 23,962
Accrued expenses	29,524
Unearned revenue	<u>10,000</u>
TOTAL CURRENT LIABILITIES	<u>63,486</u>
TOTAL LIABILITIES	63,486
 NET ASSETS	
Without donor restrictions	987,613
With donor restrictions	<u>626,842</u>
TOTAL NET ASSETS	<u>1,614,455</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,677,941</u></u>

The accompanying notes are an integral part of the financial statements.

TEAM4TECH FOUNDATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2022

	Changes in Net Assets without Donor Restrictions	Changes in Net Assets with Donor Restrictions	Total
REVENUE AND SUPPORT			
Corporate contributions and project sponsorship	\$ 46,681	\$ 1,166,000	\$ 1,212,681
Individual contributions	129,229	73,299	202,528
Foundation grants	299,276	433,000	732,276
Special event revenue	30,000	15,000	45,000
In-kind donations	139,143	-	139,143
Net assets released from restrictions	1,162,957	(1,162,957)	-
TOTAL REVENUES AND SUPPORT	1,807,286	524,342	2,331,628
EXPENSES			
Program services	1,531,913	-	1,531,913
Supporting services:			
Management and general	149,333	-	149,333
Fundraising	223,177	-	223,177
TOTAL EXPENSES	1,904,423	-	1,904,423
Gain on disposal of assets	3,963	-	3,963
Unrealized loss on marketable securities	(5,412)	-	(5,412)
Other income	170	-	170
CHANGE IN NET ASSETS	(98,416)	524,342	425,926
NET ASSETS			
Balance - beginning of year	1,086,029	102,500	1,188,529
Balance - end of year	\$ 987,613	\$ 626,842	\$ 1,614,455

The accompanying notes are an integral part of the financial statements.

TEAM4TECH FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Accounting	\$ -	\$ 32,752	\$ -	\$ 32,752
Airfare	173	-	-	173
Conferences	3,683	-	-	3,683
Dues and memberships	5,476	-	-	5,476
Event expenses	780	407	25,714	26,901
Food and lodging	607	-	-	607
Grants paid	459,317	-	-	459,317
Ground transportation	143	-	-	143
Health and other benefits	1,325	2,376	246	3,947
In-kind expenses	72,307	33,289	33,547	139,143
Insurance	7,684	1,519	555	9,758
Interest and bank charges	6,966	334	1,622	8,922
IT Consultants	37,030	-	-	37,030
IT Products and computers	38,870	1,852	6,524	47,246
Legal	6,309	774	-	7,083
Marketing	33,448	62	900	34,410
Meals	666	81	156	903
Misc expenses	5	351	-	356
Office supplies	194	19	37	250
Other professional fees	107,609	5,250	17,693	130,552
Payroll service fees	5,605	409	880	6,894
Payroll taxes	55,434	4,837	9,449	69,720
Postage and shipping	9	9	-	18
Professional development	1,536	-	47	1,583
Program consultants	49,646	-	-	49,646
Program supplies	1,401	-	-	1,401
Recruiting	2,798	-	-	2,798
Rent	801	55	125	981
Salaries and wages	609,656	64,192	125,413	799,261
Taxes and fees	773	226	83	1,082
Travel	20,063	229	63	20,355
Utilities and building services	-	258	-	258
Visas and travel documentation	801	-	-	801
Workers comp	798	52	123	973
TOTAL FUNCTIONAL EXPENSES	\$ 1,531,913	\$ 149,333	\$ 223,177	\$ 1,904,423

The accompanying notes are an integral part of the financial statements.

TEAM4TECH FOUNDATION
STATEMENT OF CASH FLOWS
Year ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 425,926
Changes in operating assets and liabilities:	
Receivables	(541,382)
Prepaid expenses	5,138
Other current assets	(59,784)
Accounts payable	1,337
Accrued expenses	<u>26,715</u>
Net cash flows used by operating activities	<u>(142,050)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	
	(142,050)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	
	<u>1,139,976</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	
	<u><u>\$ 997,926</u></u>

The accompanying notes are an integral part of the financial statements.

TEAM4TECH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Team4Tech Foundation (the "Organization" or "Team4Tech") is a non-profit corporation organized in the State of Delaware. The organization's mission is to improve education in developing countries through innovative technology solutions. The Organization aims to act as a catalyst for change by matching tech industry professionals, products and resources with accredited non-profit projects that aim to make a difference in the quality of education around the globe.

Currently, the Organization has led projects in 18 countries, including Brazil, Bulgaria, Cambodia, Costa Rica, Ecuador, Ghana, India, Kenya, Malawi, Paraguay, Senegal, South Africa, Tanzania, Uganda, USA, and Vietnam.

Team4Tech receives funding from corporate partners and philanthropic donors. The Organization provides annual grants to support its strategic nonprofit partners.

Accounting Principles

The accompanying financial statements have been prepared using the accrual basis of accounting. The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under those standards, net assets, contributions, service fees, gains, losses, and expenses are classified as net assets with donor restrictions and net assets without donor restrictions, depending on the existence and nature of any donor restrictions and based upon the following criteria:

- *Net Assets Without Donor Restrictions* - Net assets without donor restrictions are able to be spent by the Organization at its discretion and are subject to self-imposed limits by action of the governing board. Board-designated net assets may be earmarked for future programs, investments, contingencies, purchase or construction of fixed assets, or other uses. As of June 30, 2022, net assets without donor restrictions were \$987,613.
- *Net Assets With Donor Restrictions* - Donations specifically restricted by the donor are recorded as net assets with donor restrictions. When a donor restriction expires or a purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. As of June 30, 2022, the Organization's net assets with donor restrictions were \$626,842.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

TEAM4TECH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

The Organization's financial instruments that may be exposed to concentrations of credit risk consist primarily of temporary cash investments.

The Organization maintains its cash balances at a financial institution. At times such investments may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk of cash.

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates.

Contributions

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Contributions are recorded as being with or without donor restrictions, depending on the absence or existence of any donor restrictions.

Donated Services, Materials and Facilities - Volunteers contribute amounts of time to the Organization's program services, administration, and fundraising and development activities, however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

The donor restrictions on assets as of June 30, 2022 related to collections and pledges which were designated for allocation during future years. These are to be used in specific programs and had not been expended as of June 30, 2022.

Revenue Recognition

The Organization satisfies its performance obligations when contributions are received either with or without donor restriction. The Organization records the revenue at the point-in-time when the performance obligation is satisfied. Program service fees are deferred to the applicable period in which the related services are performed. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

TEAM4TECH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a Delaware nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifying for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined it is subject to unrelated business income tax and will file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. Management believes there will be no unrelated business income tax expense or liability associated with the filing of the Form 990-T.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Functional Allocation of Expenses

The costs of programs and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the classification detail categorized by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Marketing expense was \$34,410 for the year ended June 30, 2022.

Subsequent Events

Management of the Organization has evaluated subsequent events through April 28, 2023, which is also the date the financial statements were available to be issued. No subsequent events were noted during this evaluation that required recognition or disclosure in these financial statements.

NOTE 2 - CONCENTRATIONS

The majority of the Organization's operations are carried out in foreign countries. The foreign operations of the Organization are regulated and subject to the administrative directives, rules and regulations of the local and national governmental authorities of each region. Such administrative directives, rules and regulations are subject to change by the same governmental authorities and such changes may occur with little or no notice and could have a detrimental impact on the Organization.

TEAM4TECH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recorded as receivables and revenue when received. The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions.

Pledges are expected to be realized in the following periods:

In one year or less	\$ 510,121
Between one year and five years	<u>76,000</u>
	<u><u>\$ 586,121</u></u>

NOTE 4 - DONATED SERVICES AND MATERIALS

The Organization received donated professional services and materials as follows during the years ended June 30, 2022:

Services	\$ 139,122
Goods	<u>21</u>
	<u><u>\$ 139,143</u></u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are made up of the following at year end:

Individual contributions	\$ 50,000
Foundation grants	230,694
Corporate contributions and project sponsorship	331,148
Special event revenue	<u>15,000</u>
	<u><u>\$ 626,842</u></u>

TEAM4TECH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available for general expenditures within one year are as follows:

Cash and cash equivalents	\$ 997,926
Pledges receivable	<u>510,121</u>
Total financial assets	<u>1,508,047</u>
Current liabilities	<u>(63,486)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,444,561</u>

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