

Financial Statements

Team4Tech Foundation
(a nonprofit organization)
Year Ended June 30, 2023



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Team4Tech Foundation
Menlo Park, California

Opinion

We have audited the financial statements of Team4Tech Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Team4Tech Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 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 for one year after the date that the financial statements are 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 GAAS 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 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 GAAS, 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.

Harvie CPA, P.C.

Meridian, Idaho
March 21, 2024

TEAM4TECH FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS

Current Assets

Cash	\$ 1,093,732
Accounts receivable	130,028
Pledges receivable, current portion	71,000
Prepaid expenses	39,717
Other current assets	<u>36,022</u>

Total Current Assets 1,370,499

Long-Term Pledges Receivable, net 4,526

Total Assets \$ 1,375,025

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 83,196
Accrued liabilities	13,902
Deferred revenue	<u>12,000</u>

Total Liabilities 109,098

Net Assets

Without donor restrictions	812,749
With donor restrictions	<u>453,178</u>

Total Net Assets 1,265,927

Total Liabilities and Net Assets \$ 1,375,025

See notes to the financial statements.

TEAM4TECH FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support			
Corporate project sponsorship	\$ 38,000	\$ 989,000	\$ 1,027,000
Grants and contracts	522,399	464,900	987,299
Contributed nonfinancial assets	229,748		229,748
Contributions	53,779	85,000	138,779
Other income	<u>1,567</u>		<u>1,567</u>
	845,493	1,538,900	2,384,393
Net assets released from restriction	<u>1,712,564</u>	<u>(1,712,564)</u>	<u>0</u>
Total Revenue	2,558,057	(173,664)	2,384,393
Expenses			
Program services	2,212,343		2,212,343
Supporting services			
Fundraising	279,230		279,230
Administrative	<u>241,348</u>		<u>241,348</u>
Total Supporting Services	<u>520,578</u>	<u>0</u>	<u>520,578</u>
Total Expenses	<u>2,732,921</u>	<u>0</u>	<u>2,732,921</u>
Change in Net Assets	(174,864)	(173,664)	(348,528)
Net Assets			
Beginning of Year	<u>987,613</u>	<u>626,842</u>	<u>1,614,455</u>
End of Year	<u>\$ 812,749</u>	<u>\$ 453,178</u>	<u>\$ 1,265,927</u>

See notes to the financial statements.

TEAM4TECH FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	<u>Program</u>	<u>Support Services</u>		<u>Total</u>
		<u>Fundraising</u>	<u>Administrative</u>	
Salaries, taxes, and benefits	\$ 1,067,669	\$ 203,504	\$ 105,297	\$ 1,376,470
Grants paid	564,444			564,444
Professional Fees	112,754	30,000	30,000	172,754
Program consultants	139,551			139,551
Marketing	57,696	30,922	24,010	112,628
Accounting			71,543	71,543
IT products and computers	39,458	8,996	1,976	50,430
Food and lodging	46,592			46,592
Program supplies	42,010	1,140	1,140	44,290
Travel	38,933	2,220	572	41,725
IT consultants	30,288			30,288
Airfare, transportation and visas	29,377			29,377
Insurance	10,105	606	1,613	12,324
Rent	6,416	1,196	622	8,234
Interest and bank charges	6,286	176	421	6,883
Conferences	6,526	69		6,595
Legal	3,152	198	2,334	5,684
Other expenses	<u>11,086</u>	<u>203</u>	<u>1,820</u>	<u>13,109</u>
 Total Expenses	 <u>\$ 2,212,343</u>	 <u>\$ 279,230</u>	 <u>\$ 241,348</u>	 <u>\$ 2,732,921</u>

See notes to the financial statements.

TEAM4TECH FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

Cash Flow From Operating Activities

Change in net assets	\$ (348,528)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	104,093
Prepaid expenses	(22,919)
Pledges receivable	276,474
Other current	6,666
Accounts payable	56,005
Accrued payroll	(12,393)
Deferred revenue	<u>2,000</u>
Net Cash Provided by Operating Activities	61,398

Cash and Cash Equivalents

Beginning of Year	<u>1,032,334</u>
End of Year	<u>\$ 1,093,732</u>

See notes to the financial statements.

TEAM4TECH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Nature of Organization

Team4Tech Foundation, (the Organization) is incorporated in Delaware and registered as a nonprofit foundation in both California and Delaware. The specific purpose of the organization is to improve the quality of education for under-resourced learners by building nonprofit capacity through technology solutions and training. Since 2013, Team4Tech Foundation has impacted more than 130,000 learners in 20 countries, through technology grants and pro bono consulting.

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 of America.

Basis of Presentation

The Organization reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Cash and Cash Equivalents

The Organization considers all short-term investments purchased with maturity of three months or less to be cash equivalents.

Concentration of Credit Risk and Income

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and investments. Accounts at these financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At June 30, 2023 the Organization's uninsured cash balance totaled \$616,977.

TEAM4TECH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Contributions are generally available for unrestricted use in the year raised unless specifically restricted by the donor. Unconditional promises to give are recorded when pledged. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using the Organization's expected borrowing rate applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided based on management's evaluation of potentially uncollectible promises receivable at year end.

Contributions and Donor Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Contributions and grants received with donor restrictions that are met in the same reporting period are reported as unrestricted support and an increase net assets without donor restrictions.

Contribution of Nonfinancial Assets

The Organization receives contributed non-financial assets consisting of donated time from executives, advertising, and goods. The Organization records contributed non-financial assets based on the fair value as described in generally accepting accounting principles. The Organization recognizes contributed services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. Contributed non-financial assets are recognized as revenue when received and as expenditures when the resources are consumed.

Fair Value

The Organization uses fair value reporting for financial assets and liabilities. A hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established, prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

TEAM4TECH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Compensated Absences

Accrued liabilities include amounts for vacation days, which are based upon position and length of employment. The Organization has exempt employees who fall under an unlimited paid-time off policy. Non-exempt employees follow a traditional paid-time off policy.

Deferred Revenue

The Organization received revenue for a project contingent on a certain number of participants to be completed in a future year. Total deferred revenue was \$12,000 for the year ended June 30, 2023.

Functional Allocation of Expenses

The costs of providing the program have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied.

Advertising

Advertising costs are expensed as incurred. Total advertising expenses were \$112,628 for the year ended June 30, 2023.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of that position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2023. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2019.

TEAM4TECH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Subsequent Events

The Organization has evaluated subsequent events through March 21, 2024 which is the date the financial statements were available to be issued.

Note B – Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 1,093,732
Account receivable	130,028
Pledges receivables, current portion	<u>71,000</u>
Total financial assets available within one year	1,294,760
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(453,178)</u>
Total financial assets available within one year after restriction	<u>\$ 841,582</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 come due. At June 30, 2023, all net assets with donor restrictions are available for any major expenditures incurred that satisfy their restricted purpose, except for receivables, which are available when the receivable is collected and the expenditures incurred. The Organization also operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

TEAM4TECH FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Note C – Pledges Receivable

Pledges receivable consisted of the following at June 30, 2023:

Pledges receivable	\$ 76,000
Less current portion of pledges receivable	<u>(71,000)</u>
Long-term pledges receivable	5,000
Less discounts to net present value	<u>(474)</u>
Long-term pledges receivable, net	<u>\$ 4,526</u>

The discount rate used on long term pledges was 5.11%. For the year ended June 30, 2023, management anticipates all pledges to be collectible and does not deem an allowance for uncollectible pledges to be necessary.

Note D – Net Assets

The detail of the Organization’s net asset categories at June 30, 2023, are as follows:

Without donor restrictions	\$ 812,749
With donor restrictions:	
Corporate Sponsorships	318,331
The Lighthouse Circle giving	111,000
Raspberry Pi Foundation	<u>23,847</u>
Total with donor restrictions	<u>453,178</u>
Total net assets	<u>\$ 1,265,927</u>

TEAM4TECH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note E – Contributed Nonfinancial Assets

For the year ended June 30, 2023, contributed nonfinancial assets recognized within the statement of activities included:

Professional services	\$	125,000
Online advertising		100,000
Supplies		<u>4,748</u>
Total contributed nonfinancial assets	\$	<u>229,748</u>

The Organization recognized contributed nonfinancial assets within revenue, including donated time and advertising. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services include the donated time from the Executive Director. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Contributed advertising is comprised of donated advertising space provide by LinkedIn. In valuing advertising, the Organization received an invoice from the donor for the market value of the advertising which was then given a total discount.

Contributed supplies is comprised of donated seats and wine to support an annual impact celebration, and. are valued and reported at the estimated fair value based on current market prices.