

Software in the Public Interest, Inc.
(a Not-for-Profit Corporation)
Financial Statements
December 31, 2023

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Independent Auditor's Report

To the Board of Directors of
Software in the Public Interest, Inc. (a Not-for-Profit Corporation)

Opinion

We have audited the accompanying financial statements of Software in the Public Interest, Inc. (a Not-for-Profit Corporation) which comprise the statement of financial position as of December 31, 2023, and the related statements 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 Software in the Public Interest, Inc. (a Not-for-Profit Corporation) as of December 31, 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. 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 Software in the Public Interest, Inc. (a Not-for-Profit Corporation) 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 these 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 Software in the Public Interest, Inc. (a Not-for-Profit Corporation)'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 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, we:

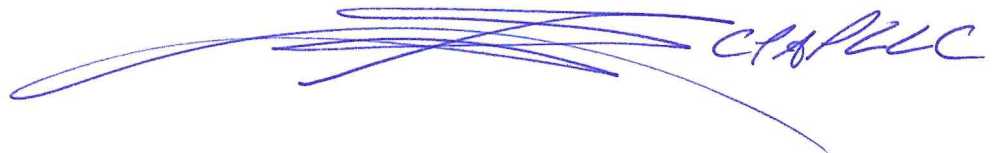
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Software in the Public Interest, Inc. (a Not-for-Profit Corporation)'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 Software in the Public Interest, Inc. (a Not-for-Profit Corporation)'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.

Report on Summarized Comparative Information

We have previously audited Software in the Public Interest, Inc. (a Not-for-Profit Corporation)'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

November 4, 2024

A large, stylized handwritten signature in blue ink, likely belonging to a CPA, is written over the date. The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Software in the Public Interest, Inc.
(a Not-for-Profit Corporation)
Statement of Financial Position
December 31, 2023
(With Summarized Financial Information for 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash	\$ 1,673,806	\$ 2,752,658
Investments	1,093,300	155,267
Accounts receivable	45,675	23,330
Total Current Assets	<u>2,812,781</u>	<u>2,931,255</u>
Other Assets		
Property and equipment	<u>45,495</u>	<u>84,845</u>
Total Other Assets	45,495	84,845
Total Assets	<u><u>\$ 2,858,276</u></u>	<u><u>\$ 3,016,100</u></u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 113,124	\$ 41,780
Total Current Liabilities	<u>113,124</u>	<u>41,780</u>
Net Assets		
Without donor restrictions	387,806	382,103
With donor restrictions	<u>2,357,346</u>	<u>2,592,217</u>
Total Net Assets	2,745,152	2,974,320
Total Liabilities and Net Assets	<u><u>\$ 2,858,276</u></u>	<u><u>\$ 3,016,100</u></u>

See independent auditor's report and accompanying notes to the financial statements.

Software in the Public Interest, Inc.
(a Not-for-Profit Corporation)
Statement of Activities
For the Year Ended December 31, 2023
(With Summarized Financial Information for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>	<u>2022</u>
Support and Revenue				
Contributions - cash	\$ 16,224	\$ 350,145	\$ 366,369	\$ 442,504
Program fees	8,410	-	8,410	37,379
Unrealized gains (losses) on investments	38,033	-	38,033	(37,567)
Investment income	11,753	80,000	91,753	3,960
Foreign currency gains (losses)	(3,311)	-	(3,311)	1,494
	<u>71,109</u>	<u>430,145</u>	<u>501,254</u>	<u>447,770</u>
Releases from restrictions:	665,016	(665,016)	-	-
Total Support and Revenue	<u>736,125</u>	<u>(234,871)</u>	<u>501,254</u>	<u>447,770</u>
Expenses				
Program services	<u>578,118</u>	<u>-</u>	<u>578,118</u>	<u>385,923</u>
Supporting services:				
General and administrative	152,304	-	152,304	160,722
Total supporting services	<u>152,304</u>	<u>-</u>	<u>152,304</u>	<u>160,722</u>
Total Expenses	<u>730,422</u>	<u>-</u>	<u>730,422</u>	<u>546,645</u>
Change in Net Assets	5,703	(234,871)	(229,168)	(98,875)
Net Assets, Beginning of Year	382,103	2,592,217	2,974,320	3,073,195
Net Assets, End of Year	<u>\$ 387,806</u>	<u>\$ 2,357,346</u>	<u>\$ 2,745,152</u>	<u>\$ 2,974,320</u>

See independent auditor's report and accompanying notes to the financial statements.

Software in the Public, Interest, Inc.
(a Not-for-Profit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2023
(With Summarized Financial Information for 2022)

	<u>Program Services</u>	<u>Supporting Services</u>	<u>General and Administrative</u>	<u>Total 2023</u>	<u>2022</u>
Information technology	\$ 58,881	\$	61,923	\$ 120,804	\$ 111,630
Professional fees	-		87,105	87,105	119,743
Travel, meals and lodging	120,809		-	120,809	108,435
Software development	61,293		-	61,293	66,565
Depreciation	39,350		-	39,350	41,368
Internships	33,000		-	33,000	29,000
Bank charges and other fees	9,103		3,024	12,127	10,767
Insurance	3,045		-	3,045	2,844
Grant refund	100,000		-	100,000	-
Postage and supplies	1,220		252	1,472	1,667
Advertising	6,271		-	6,271	1,113
Training	1,050		-	1,050	-
Total Expenses	434,022		152,304	586,326	493,132
Direct conference expenses:					
Services	16,668		-	16,668	35,519
Materials	7,399		-	7,399	3,491
Venue rental	120,029		-	120,029	14,503
	144,096		-	144,096	53,513
Total Expenses	\$ 578,118	\$	152,304	\$ 730,422	\$ 546,645

See independent auditor's report and accompanying notes to the financial statements.

Software in the Public Interest, Inc.
(a Not-for-Profit Corporation)
Statements of Cash Flows
For the Year Ended December 31, 2023
(With Summarized Financial Information for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (229,168)	\$ (98,875)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized gains (losses) on investments	(38,033)	37,567
Depreciation and amortization	39,350	41,368
(Increase) decrease in operating assets:		
Accounts receivable	(22,345)	24,112
Prepaid expenses	-	28
Increase in operating liabilities:		
Accounts payable and accrued expenses	71,344	18,709
Net cash provided by (used in) operating activities	<u>(178,852)</u>	<u>22,909</u>
Cash Flows from Investing Activities		
Purchases of investments in certificates of deposit	(1,350,000)	-
Redemptions of investments in certificates of deposit	450,000	-
Net cash used in investing activities	<u>(900,000)</u>	<u>-</u>
 Net Increase (decrease) in Cash	 (1,078,852)	 22,909
Cash, Beginning of Year	2,752,658	2,729,749
Cash, End of Year	<u>\$ 1,673,806</u>	<u>\$ 2,752,658</u>

See independent auditor's report and accompanying notes to the financial statements.

Software In the Public Interest, Inc.
(a Not-for-Profit Corporation)
Notes to Financial Statements
December 31, 2023

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Software in the Public Interest, Inc. (a Not-for-Profit Corporation) (the Organization) is a not - for - profit organization which was founded to help organizations develop and distribute open source hardware and software. The mission of the Organization is to help genuine, substantial, and significant free and open source software projects by handling their non-technical administrative tasks so that they aren't required to operate their own legal entity.

The Organization acts as a fiscal sponsor to many free and open source projects. The Organization provides fiscal oversight to ensure that these funds are spent in a manner that advances the project and fits with the Organization's 501(c)(3) mission to promote, advance, and defend software freedom.

The Organization was incorporated in the State of New York in June 1997.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and donor restricted net assets.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Donor restricted contributions that are expended for their restricted purpose in the same reporting period as received may be recorded as without donor restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

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

Functional Allocation of Expenses

The costs of providing various program and other activities have been summarized on a functional basis in the statement of activities. Certain expenses have been classified based on direct expenditures, other costs were allocated based on estimates made by management such as time spent, quantities of items consumed and the proportion of physical space used.

See independent auditor's report.

Software In the Public Interest, Inc.
(a Not-for-Profit Corporation)
Notes to Financial Statements
December 31, 2023

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Cash

Cash consists of demand deposit accounts held at major financial institutions and may at times exceed the insurable amount. Management believes it mitigates its risk by investing in a major financial institution and in funds that are currently U.S. federal government insured. Recoverability of investments is dependent upon the performance of the issuer.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with original maturities of three months or less when purchased to be cash equivalents.

Revenue Recognition

Contribution Revenue

Contribution revenue is recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the same reporting period in which the Contribution revenue is recognized. All other donor restricted contributions are reported as increases in donor restricted net assets. When a restriction expires donor restricted net assets are reclassified to net assets without donor restrictions.

Revenue from Contracts with Customers

The Organization sponsors conferences for people working in the area of open source software and is dedicated to providing inclusive experience. Registration fees comprise the related revenue.

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services.

Accounts Receivable

Unconditional promises to give are recognized in the period received both as revenues or gains and as assets, decreases of liabilities, or expenses, depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. For the year ended December 31, 2023 the allowance for doubtful accounts was \$0.

All accounts receivable are expected to be received within the current operating cycle of one year.

See independent auditor's report.

Software In the Public Interest, Inc.
(a Not-for-Profit Corporation)
Notes to Financial Statements
December 31, 2023

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Fair Value Measurements and Disclosures

Carrying values of financial instruments, including cash and cash equivalents, investments, accounts receivable, accounts payable and accrued expenses, approximated their fair values due to the short term nature of these financial instruments. There were no changes in methods or assumptions during the year ending December 31, 2023.

Property and Equipment

Property and equipment are recorded at cost or, if donated, the approximate fair value at the date of donation. Depreciation is provided on the straight line method over the estimated useful lives of the assets as follow:

Equipment	5 years
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It is the policy of the Organization to capitalize items with a value greater than \$5,000.

Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the assets, are capitalized.

Subsequent Events

In preparing these financial statements, the Organization, has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 4, 2024, the date the financial statements were available to be issued.

Note 2 - Property and Equipment

Property and equipment consisted of:

Property and Equipment	\$ 206,838
Less: accumulated depreciation	<u>(161,343)</u>
Property and equipment, net	<u>\$ 45,495</u>

Depreciation expense was \$39,350 for the year ended December 31, 2023.

See independent auditor's report.

Software In the Public Interest, Inc.
(a Not-for-Profit Corporation)
Notes to Financial Statements
December 31, 2023

Note 3 - Investments

The Organization's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by U.S. generally accepted accounting principles.

Level 1 assets have observable market prices.

Level 2 assets do not have observable prices, but have inputs that are based on observable prices.

Level 3 assets have inputs that do not have observable prices.

As of December 31, 2023, the Organization's investments consist of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S Bank Certificates of Deposit	\$ 900,324	\$ -	\$ -	\$ 900,324
S&P 500 Exchange Traded Fund	192,976	-	-	192,976
	<u>\$ 1,093,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,093,300</u>

Note 4 – Liquidity and Availability of Financial Assets

The Organization manages its liquidity and reserves following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. The Organization's working capital and cash flows have seasonal variations during the year attributable to the timing of program and fundraising activities. Monthly cash outflows vary each year based on the specific requirements of the program activities. To manage liquidity the Organization budgets cash flow and conducts fundraising and program activities that are timed according to expected requirements. The goal of the Organization is to maintain available financial assets to meet its next 90 days of operating expense.

The Organization receives contribution restricted by donors and considers contribution restricted for programs which are not ongoing, major and central to its annual operations to not be available to meet cash needs for general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year comprise the following:

Cash	\$ 1,673,806
Investment in securities	1,093,300
Accounts receivable	<u>45,675</u>
Total financial assets	2,812,781
Less: net assets with donor restrictions	<u>(2,357,346)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 455,435</u>

See independent auditor's report.

Software In the Public Interest, Inc.
(a Not-for-Profit Corporation)
Notes to Financial Statements
December 31, 2023

Note 5 – Net Assets With Donor Restrictions

Donor restricted net assets by revenue source and changes therein for the year ended December 31, 2023, were as follows:

	Beginning Balance December 31, 2022	Additions	Releases from Restrictions	Ending Balance December 31, 2023
Net assets with donor restrictions as to purpose for the following projects:				
0 A.D.	\$ 44,108	\$ 2,827	\$ 932	\$ 46,003
Adelie Linux	7,766	3,181	666	10,281
ankur.org.in	2,819	-	-	2,819
aptosid	503	-	-	503
Arch Linux	422,039	35,148	17,047	440,140
Archlinux32	20	0	0	20
ArduPilot	84,926	5,367	30,397	59,896
Cfarm	-	190	10	180
Debian Conference	23,113	136,477	159,590	-
Debian	697,034	60,696	208,688	549,042
FFmpeg	149,478	11,084	10,693	149,869
Fluxbox	1,046	-	-	1,046
Gallery	95	-	-	95
Ganeti	233	-	-	233
GNU TeXmacs	2,872	399	22	3,249
Gnustep	181	-	-	181
Haskell.org	4	95	5	94
Jenkins	9,472	-	-	9,472
LibreOffice	131,003	6,834	12,125	125,712
MinGW	4,904	134	6	5,032
MPI Forum	38,736	5,003	3,785	39,954
Ns-3	2,565	2,565	338	4,792
NTPsec	135,684	35	95,008	40,711
OFTC	3	-	-	3
OpenBioinformatics Foundation	129,917	6,358	6,086	130,189
Open MPI	659	-	-	659
Open Voting Foundation	2,132	494	-	2,626
OpenEmbedded	21,440	2,799	2,203	22,036
OpenSAF	2,446	-	-	2,446
OpenVAS	81	-	74	7
OpenZFS	29,175	29,135	24,739	33,571
PMIx	28	-	-	28
PostgreSQL	229,425	38,871	26,988	241,308
Privoxy	6,277	179	3,869	2,587
Swathanthra Malayalam Computin	5,976	-	-	5,976
Systemd	183,463	536	32,928	151,071
The Mana World	491	221	33	679
Translatewiki.Net	363	272	12	623
Tux4Kids	17,087	-	26	17,061
Wesnoth	454	22,566	2,644	20,376
X.Org	198,746	58,679	26,102	231,323
YafaRay	5,453	-	-	5,453
Total	\$ 2,592,217	\$ 430,145	\$ 665,016	\$ 2,357,346

See independent auditor's report.