

# **Network for Teaching Entrepreneurship and Related Organization**

**Consolidated Financial Statements  
and Supplementary Information  
Year Ended June 30, 2022**

**Network for Teaching Entrepreneurship  
and Related Organization**

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Consolidated Financial Statements and Supplementary Information  
Year Ended June 30, 2022

# Network for Teaching Entrepreneurship and Related Organization

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## **Independent Auditor's Report**

The Board of Directors  
Network for Teaching Entrepreneurship  
and Related Organization  
New York, New York

### ***Opinion***

We have audited the consolidated financial statements of Network for Teaching Entrepreneurship and Related Organization (the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, 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 (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.



### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 U.S. 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 consolidated financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***Other Matter***

***Supplementary Information***

Our audit of the consolidated financial statements was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented on pages 25 through 27 of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and to other additional procedures, in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2021 consolidated financial statements, and our report dated December 8, 2021, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*BDO USA, LLP*

January 20, 2023

# Network for Teaching Entrepreneurship and Related Organization

## Consolidated Statement of Financial Position (with comparative totals for 2021)

<i>June 30,</i>	2022	2021
<b>Assets</b>		
Cash and cash equivalents (Note 2)	\$ 9,153,034	\$ 7,410,851
Accounts receivable, net of allowances of \$31,994 for both years (Note 2)	165,982	86,955
Contributions receivable, net (Notes 2 and 5)	2,096,249	1,609,266
Employee and teacher advances	2,017	14,388
Inventories (Note 2)	24,006	26,684
Prepaid expenses and other assets	309,768	356,635
Investments held in perpetuity (Notes 2, 4, and 14)	12,093,591	14,450,803
Fixed assets, net (Notes 2 and 6)	45,074	62,855
	<b>\$ 23,889,721</b>	<b>\$ 24,018,437</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 788,728	\$ 535,183
Accrued compensation and related liabilities	688,058	520,272
Deferred rent (Note 9)	195,810	264,919
Other liabilities (Note 8)	25,000	50,000
Paycheck Protection Program (PPP) loan (Note 15)	-	1,106,145
<b>Total Liabilities</b>	<b>1,697,596</b>	<b>2,476,519</b>
<b>Commitments and Contingencies</b> (Notes 3, 7, 8, 9, 10, 11, 12, and 14)		
<b>Net Assets</b> (Notes 2, 10, 11, and 14)		
Without donor restrictions	6,743,898	4,250,736
With donor restrictions	15,448,227	17,291,182
<b>Total Net Assets</b>	<b>22,192,125</b>	<b>21,541,918</b>
	<b>\$ 23,889,721</b>	<b>\$ 24,018,437</b>

*See accompanying notes to consolidated financial statements.*

# Network for Teaching Entrepreneurship and Related Organization

## Consolidated Statement of Activities (with comparative totals for 2021)

Year ended June 30,

	Without Donor Restriction	With Donor Restriction	Total	
			2022	2021
<b>Support and Revenues</b>				
Contributions	\$ 4,772,173	\$ 4,948,500	\$ 9,720,673	\$ 8,784,348
License fees	68,800	-	68,800	27,500
Contract services	1,685,143	-	1,685,143	1,224,057
Training fees	134,248	-	134,248	112,567
Material sales	14,427	-	14,427	3,687
Teachers' and other in-kind contribution (Notes 2 and 13)	4,672,019	-	4,672,019	4,405,283
Miscellaneous income	100,298	-	100,298	134,493
Royalty income	162,288	-	162,288	105,579
Net assets released from restrictions (Note 10)	5,180,129	(5,180,129)	-	-
<b>Total Support and Revenues</b>	<b>16,789,525</b>	<b>(231,629)</b>	<b>16,557,896</b>	<b>14,797,514</b>
<b>Expenses</b>				
Program services	12,584,984	-	12,584,984	11,727,915
<b>Total Program Services</b>	<b>12,584,984</b>	<b>-</b>	<b>12,584,984</b>	<b>11,727,915</b>
Supporting services:				
Management and general	1,635,749	22,310	1,658,059	1,626,055
Fundraising	1,183,265	-	1,183,265	1,232,746
<b>Total Supporting Services</b>	<b>2,819,014</b>	<b>22,310</b>	<b>2,841,324</b>	<b>2,858,801</b>
<b>Total Expenses</b>	<b>15,403,998</b>	<b>22,310</b>	<b>15,426,308</b>	<b>14,586,716</b>
<b>Change in Net Assets, before non-operating revenues</b>	<b>1,385,527</b>	<b>(253,939)</b>	<b>1,131,588</b>	<b>210,798</b>
<b>Non-Operating Revenues</b>				
Investment (loss) return, net (Note 2)	1,490	(1,589,016)	(1,587,526)	3,550,635
PPP loan forgiveness	1,106,145	-	1,106,145	1,079,700
<b>Change in Net Assets</b>	<b>2,493,162</b>	<b>(1,842,955)</b>	<b>650,207</b>	<b>4,841,133</b>
<b>Net Assets, beginning of year</b>	<b>4,250,736</b>	<b>17,291,182</b>	<b>21,541,918</b>	<b>16,700,785</b>
<b>Net Assets, end of year</b>	<b>\$ 6,743,898</b>	<b>\$ 15,448,227</b>	<b>\$ 22,192,125</b>	<b>\$ 21,541,918</b>

*See accompanying notes to consolidated financial statements.*



## Network for Teaching Entrepreneurship and Related Organization

### Consolidated Statement of Functional Expenses (with comparative totals for 2021)

Year ended June 30,

	Supporting Services				Total	
	Program Services	Management and General	Fundraising	Total Supporting Services	2022	2021
Salaries and wages	\$ 4,772,204	\$ 726,192	\$ 463,635	\$ 1,189,827	\$ 5,962,031	\$ 5,612,415
Payroll taxes and fringe benefits	924,922	140,747	89,858	230,605	1,155,527	1,057,828
<b>Total Salaries and Benefits</b>	<b>5,697,126</b>	<b>866,939</b>	<b>553,493</b>	<b>1,420,432</b>	<b>7,117,558</b>	<b>6,670,243</b>
Students - expenses	499,991	-	-	-	499,991	509,613
Teachers - expenses	132,838	-	-	-	132,838	166,588
Occupancy	367,893	196,095	51,536	247,631	615,524	717,080
Telephone, copier, and postage	64,489	9,814	6,265	16,079	80,568	145,009
Travel and entertainment	79,458	48,274	23,223	71,497	150,955	7,295
Marketing expense	5,472	-	2,878	2,878	8,350	16,251
Consulting and professional fees	460,467	346,237	277,419	623,656	1,084,123	1,134,540
Equipment, furniture, and fixtures	26,263	38,427	130	38,557	64,820	35,041
IT hosting and maintenance	189,129	23,641	23,641	47,282	236,411	146,292
Office supplies	10,087	4,674	10,276	14,950	25,037	10,088
Publications and subscriptions	198,006	9,281	3,515	12,796	210,802	63,374
Interest and fees	617	34,031	105	34,136	34,753	32,193
Bad debt	-	-	26,988	26,988	26,988	238,493
Insurance	141,803	17,725	17,725	35,450	177,253	157,894
Conference and events	26,951	22,891	182,800	205,691	232,642	13,174
Cost of materials	10,215	-	-	-	10,215	6,945
Miscellaneous expenses	2,160	22,249	3,271	25,520	27,680	93,539
<b>Total Expenses, before in-kind expenses and teacher services and depreciation and amortization expense</b>	<b>7,912,965</b>	<b>1,640,278</b>	<b>1,183,265</b>	<b>2,823,543</b>	<b>10,736,508</b>	<b>10,163,652</b>
<b>In-Kind Expenses and Teacher Services (Notes 2 and 13)</b>	<b>4,672,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,672,019</b>	<b>4,405,283</b>
<b>Depreciation and Amortization Expense</b>	<b>-</b>	<b>17,781</b>	<b>-</b>	<b>17,781</b>	<b>17,781</b>	<b>17,781</b>
<b>Total Expenses</b>	<b>\$ 12,584,984</b>	<b>\$ 1,658,059</b>	<b>\$ 1,183,265</b>	<b>\$ 2,841,324</b>	<b>\$15,426,308</b>	<b>\$ 14,586,716</b>

*See accompanying notes to consolidated financial statements.*

# Network for Teaching Entrepreneurship and Related Organization

## Consolidated Statement of Cash Flows (with comparative totals for 2021)

Year ended June 30,	2022	2021
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 650,207	\$ 4,841,133
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	17,781	17,781
Change in present value of contributions receivable	(1,730)	9,857
Net unrealized losses (gains) on investments	2,439,194	(2,857,393)
Net realized gains on investments	(685,594)	(540,102)
Donated securities	(12,457)	(28,269)
Provision for bad debt	(26,988)	(238,493)
PPP loan forgiveness	(1,106,145)	(1,079,700)
Decrease (increase) in:		
Accounts receivable	(79,027)	19,647
Contributions receivable	(458,265)	1,222,930
Employee and teacher advances	12,371	6,744
Inventory	2,678	694
Prepaid expenses and other assets	46,867	(242,322)
Increase (decrease) in:		
Accounts payable and accrued expenses	253,545	(643,309)
Accrued compensation and related liabilities	167,786	252,999
Deferred rent	(69,109)	(57,622)
Other liabilities	(25,000)	(25,000)
<b>Net Cash Provided by Operating Activities</b>	<b>1,126,114</b>	<b>659,575</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(1,152,126)	(2,524,823)
Proceeds from sales of investments	1,768,195	3,150,205
<b>Net Cash Provided by Investing Activities</b>	<b>616,069</b>	<b>625,382</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from loans	-	1,256,145
Principal payments on loan	-	(150,000)
<b>Net Cash Provided by Financing Activities</b>	<b>-</b>	<b>1,106,145</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,742,183</b>	<b>2,391,102</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>7,410,851</b>	<b>5,019,749</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 9,153,034</b>	<b>\$ 7,410,851</b>

*See accompanying notes to consolidated financial statements.*

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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### 1. Nature of Organization

The Network for Teaching Entrepreneurship and Related Organization (the Organization) provides entrepreneurship education to young people from low-income communities. The Organization publishes curriculum, trains teachers to teach the program, and works with those educators to facilitate experiential learning for youth, culminating in each student's creation of an original business plan. The Organization's program is integrated into the school day, either as a stand-alone course or as modules in economics, math, or other relevant subjects.

### 2. Summary of Significant Accounting Policies

#### *Principles of Consolidation*

The consolidated financial statements include the accounts of the Network for Teaching Entrepreneurship (NFTE) and NFTE Endowment Fund, Inc., a related organization through common Board membership, common management, and/or common ownership. All material intercompany transactions and balances have been eliminated.

#### *General*

The consolidated financial statements have been prepared on an accrual basis and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations. In the consolidated statement of financial position, assets are presented in order of liquidity or conversion to cash, and liabilities are presented according to their maturity resulting in the use of cash.

#### *Consolidated Financial Statement Presentation*

The classification of the Organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a consolidated statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a consolidated statement of activities.

The classes of net assets are defined as follows:

*With Donor Restrictions* - This class consists of net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization, pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities. Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization are classified as net assets with donor restrictions - perpetual in nature.

*Without Donor Restrictions* - This class consists of the part of net assets that is not restricted by donor-imposed stipulations.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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Investment return, net, is reported as increases (or decreases) in net assets without donor restriction, unless the use of the income received is limited by donor-imposed restrictions or New York Prudent Management of Institutional Funds Act (NYPMIFA) (see Note 14). Expirations of with donor restriction net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

### *Measure of Operations*

The Organization includes in its measure of operations:

- All revenues and expenses that are an integral part of its programs and supporting activities.
- Net assets released from restrictions to support operating expenditures.

The Organization excludes from its measure of operations:

- Investment (loss) return, net of expenses.
- Paycheck Protection Program (PPP) loan forgiveness.

### *Cash and Cash Equivalents*

The Organization considers all investments with a maturity of three months or less at the time of purchase, other than those held in the Organization's investment portfolio for long-term purposes, to be cash equivalents.

### *Contributions Receivable*

The fair value of all contributions, including unconditional promises to give, is recognized as revenue at the time that the donor's unconditional promise is received.

Conditional promises are recorded when the donor-imposed conditions are substantially met.

### *Fixed Assets*

Fixed assets are recorded at cost. Expenditures for maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The Organization's policy is to capitalize expenditures in excess of \$5,000, which represent new purchases, or extend the life of existing fixed assets. The current estimated useful lives are as follows:

<u>Asset Category</u>	<u>Years</u>
Furniture, fixtures, and equipment	5-10
Curriculum design and internal use of software	3
Leasehold improvements	Lesser of lease term or 15 years

The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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### ***Impairment of Long-Lived Assets***

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of June 30, 2022, there have been no such losses.

### ***Revenue Recognition***

The Organization reports gifts of cash and other assets as with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—with donor restriction net assets are reclassified to without donor restriction net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Unconditional promises to give with payments due in future periods are presumed to be time-restricted by the donor until received and are reported as with donor restriction net assets.

Conditional promises to give are recognized when the conditions on which they depend upon are substantially met. Until that point, any amounts received are recorded as refundable advances.

The Organization reports gifts of land, buildings, and equipment as without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization has contracts with government and third parties for the performance of various services, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Government and other grants revenues are nonexchange transactions in which no commensurate value is exchanged. Accordingly, contribution accounting is applied under Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Government and other grants contracts are evaluated for contributions that are conditional. The Organization recognizes revenue as expenses are incurred, to a maximum of the grant award. The Organization records deferred revenue for receipts received in advance of the program performance.

Training fees are recorded as revenue when training services are provided. License fees, material sales, and royalty income are recognized when earned.

### ***In-Kind Contributions***

Amounts are reported in the consolidated financial statements for voluntary donations of services if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. All donated services were utilized by the Organization's programs services. There were no donor-imposed restrictions associated with the donated services. Refer to Note 13 for further details of the contributed services values recorded for fiscal year 2022.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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Typically, the Organization's programs are taught by teachers and youth workers who are paid directly by their institutions. These individuals are an integral part of delivering the Organization's programs to its targeted students. The Organization, therefore, includes an average portion of those salaries (based on the hours delivering the Organization experience) in the consolidated financial statements as a required specialized skill provided, which would have to be purchased if it were not paid for by others.

### *Inventories*

Inventories consist of educational materials used in programs and also sold to third parties. Inventories are stated at the lower of cost or market. Cost is determined by the weighted-average cost method.

### *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and other disclosures in the consolidated financial statements. Accordingly, actual results could differ from those estimates.

### *Income Taxes*

The Organization was incorporated in the state of New York and is exempt from federal and state income taxes under Sections 501(c)(3) and 509(a)(3) of the Internal Revenue Code (IRC) and, therefore, has made no provision for income taxes in the accompanying consolidated financial statements. In addition, NFTE Endowment Fund, Inc. is a type 2 supporting organization, and the Organization has been determined by the Internal Revenue Service (IRS) not to be a "private foundation" within the meaning of Section 509(a) of the IRC.

### *Accounting for Uncertainty in Income Taxes*

The Organization follows the provisions of U.S. GAAP, which state that an organization must recognize the tax liability associated with tax positions taken for tax return purposes when it is more likely than not the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required.

### *Comparative Financial Information*

The consolidated financial statements include certain prior-year summarized comparative information. With respect to the consolidated statement of activities, prior-year information is not presented by net asset class. With respect to the consolidated statement of functional expenses, the prior-year expenses by expense classification are presented in total rather than by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the prior-year consolidated financial statements from which the summarized information was derived.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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### ***Concentration of Credit Risk***

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Organization has cash deposits at financial institutions, which exceed the Federal Deposit Insurance Corporation insurance limits. The Organization has not experienced any losses on cash and cash equivalents.

### ***Functional Allocation of Expenses***

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the accompanying consolidated financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited using specific identification and allocation percentages based on management's calculations. Direct expenses are assigned to the various programs and supporting services based upon actual costs incurred. Certain categories of expenses are attributable to one or more program or supporting functions of the Organization. Those expenses are allocated based upon various allocation factors, including square footage occupied and time and effort.

### ***Fair Value Measurements***

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and expands the disclosures about fair value measurements. U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market-corroborated, or unobservable. U.S. GAAP established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the valuation of the asset or liability and their placement within the fair value hierarchy. The Organization classifies fair value balances based on the fair value hierarchy defined by U.S. GAAP, as follows:

*Level 1* - Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.

*Level 2* - Valuations are based on (i) quoted prices - those investments, or similar investments, in active markets; (ii) quoted prices - those investments, or similar investments, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include those investments or similar investments that are redeemable at or near the balance sheet date and for which a model was derived for valuation.

*Level 3* - Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments; (ii) the investments cannot be independently valued; or (iii) the investments cannot be immediately redeemed at or near the fiscal year-end.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investment return, net, is recognized when earned and consists of interest, dividends, and realized and unrealized gains and losses, less direct external investment expenses. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

### ***Risks and Uncertainties - Investments***

The Organization's investments consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of the Organization's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

### ***Applicability of the New York Prudent Management of Institutional Funds Act***

On September 17, 2010, New York state enacted NYPMIFA. This law, which is a modified version of The Uniform Prudent Management of Institutional Funds Act (UPMIFA), made significant changes to the rules governing how New York not-for-profit organizations may manage, invest, and spend their endowment funds. The law is designed to allow organizations to cope more easily with fluctuations in the value of their endowments and to afford them greater access to funds needed to support their programs and services in difficult financial times.

### ***Nonretirement Postemployment Benefits***

The Organization provides certain postemployment benefits to eligible former or inactive employees and their dependents during the period subsequent to employment but prior to retirement and accrues for the related cost over the service lives of the employees. These benefits include certain healthcare coverage and severance benefits.

### ***Accounts Receivable, Net***

Accounts receivable represent government contract and third-party revenues that have been billed but not collected as of the date of the accompanying consolidated financial statements. The Organization provides an allowance for doubtful accounts based upon prior-year experience and management's assessment of the collectability of specific accounts. The allowance for doubtful accounts was \$31,994 for the year ended June 30, 2022.

### ***Recently Adopted Accounting Pronouncements***

#### ***Not-for-Profit Entities (Topic 958)***

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, which is the update to clarify the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items.



# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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The enhanced presentation and disclosure requirements include the contributed nonfinancial assets as separately stated as an individual line item in the consolidated statement of activities, distinct from contributions of cash or other financial assets. The contributed nonfinancial assets are also disaggregated in a footnote by category that shows the type of contributed nonfinancial assets in the consolidated statement of activities. For each type of contributed nonfinancial assets recognized, a not-for-profit will disclose the not-for-profit's policy (if any) on liquidating rather than using contributed nonfinancial assets; qualitative considerations on whether the contributed nonfinancial assets were liquidated or used during the reporting period, and, if used, a description of how the asset was employed should be included; any donor-imposed restrictions related to the contributed nonfinancial assets; and the valuation methods and inputs utilized to determine a fair value. In accordance with Topic 820, *Fair Value Measurement*, it should be measured at initial recognition. The principal or most advantageous market is utilized to calculate fair value if it is a market in which the not-for-profit is restricted by the donor from selling or utilizing the contributed nonfinancial assets.

The update does not change existing recognition and measurement requirements. The Organization adopted this ASU as of and for the year ended June 30, 2022. There was no significant impact on the consolidated financial statements.

### ***Accounting Pronouncements Issued but Not Yet Adopted***

#### *Leases (Topic 842)*

On February 25, 2016, the FASB issued ASU 2016-02, *Leases*, which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The FASB also issued ASU 2020-05, which deferred the effective date for the Organization until annual periods beginning after December 15, 2021. The Organization is currently evaluating the impact of this ASU on its consolidated financial statements.

#### *Financial Instruments - Credit Losses*

In June 2016, the FASB issued ASU 2016-03, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended. The new credit losses standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use a new forward-looking "expected-loss" model that generally will result in earlier recognition of credit losses than under today's incurred loss model. ASU 2016-03 is effective for annual periods beginning after December 31, 2021. The Organization is currently evaluating the impact of the adoption of this ASU on its consolidated financial statements.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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### 3. Liquidity and Availability of Resources

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

*June 30, 2022*

Cash and cash equivalents	\$	9,153,034
Accounts receivable, net of allowance		165,982
Contributions receivable, net		2,096,249
<b>Total Financial Assets Available to Management for General Expenditures</b>		<b>11,415,265</b>
Less:		
Amounts unavailable to management for general expenditures within one year:		
Contributions receivable, non-current portion		(541,673)
<b>Total Financial Assets Available to Management for General Expenditures Within One Year</b>	<b>\$</b>	<b>10,873,592</b>

#### *Liquidity Management*

The Organization expects approximately \$2.7 million of amounts restricted with purpose restrictions to be released within one year. In relation to with donor restriction net assets, management has the ability to adjust expenditures based on cash available; therefore, these amounts are not included in the table above as a reduction to total financial assets available to management for general expenditures within one year.

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. In addition, the Organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Organization also has a committed line of credit in the amount of \$1,700,000, which was undrawn at June 30, 2022.

### 4. Fair Value Measurements

The Organization's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with U.S. GAAP. See Note 2 for a discussion of the Organization's policies regarding this hierarchy.

A description of the valuation techniques applied to the Organization's major categories of assets measured at fair value is as follows. There were no changes in valuation methodologies as of June 30, 2022.

*Money-Market Fund* - The money-market fund is valued based on the net asset value (NAV) of the shares held by the Organization, which is actively traded on national securities exchanges. NAV is based upon the fair value of the money-market fund's underlying investments. The money-market fund is valued at the last unadjusted quoted NAV of shares held on a daily basis and is classified as Level 1.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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*Mutual Funds* - The Organization has investments in mutual funds. For these investments, the Organization has ownership interest in the mutual fund but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. These mutual funds are invested primarily in investment-grade bonds and large- and mid-capitalization equity securities. Each mutual fund's NAV is the value of a single share, which is actively traded on national securities exchanges. The mutual funds are valued at the last unadjusted quoted NAV of shares held on a daily basis and are classified as Level 1.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Organization's financial assets at fair value:

*June 30, 2022*

	Level 1	Total
Money-market fund	\$ 1,468,845	\$ 1,468,845
Mutual funds	10,624,746	10,624,746
<b>Total</b>	<b>\$ 12,093,591</b>	<b>\$ 12,093,591</b>

The Organization had no financial assets or financial liabilities that were measured at fair value on a non-recurring basis during the year ended June 30, 2022. In addition, there were no transfers between levels during the year ended June 30, 2022.

### 5. Contributions Receivable, Net

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows using a discount rate of 0.75%.

The Organization's contributions receivable consist of the following:

*June 30, 2022*

Amounts due in:		
One year or less	\$	1,554,576
Between two to five years		550,943
Thereafter		-
		2,105,519
Less: discount to present value		(9,270)
	\$	2,096,249

At June 30, 2022, there are no conditional pledges outstanding.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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### 6. Fixed Assets, Net

Fixed assets, net, consist of the following:

*June 30, 2022*

Leasehold improvements	\$	275,392
Computer equipment		791,844
Furniture and fixtures		548,139
Curriculum design and internal-use software		1,199,940
		2,815,315
Less: accumulated depreciation and amortization		(2,770,241)
	\$	45,074

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For the year ended June 30, 2022, depreciation and amortization expense was \$17,781.

### 7. Retirement Plan

The Organization has a 403(b) defined contribution plan (the Plan), which is offered to all employees of the Organization. Employees are permitted to make voluntary contributions to the Plan based on a percentage of their annual compensation but not more than permitted under IRS regulations. The Organization makes discretionary matching contributions of 50% of employee voluntary contributions, not to exceed 3% of the employee's base compensation. The Organization expensed \$97,427 in matching contributions for the year ended June 30, 2022.

### 8. Other Liabilities

The Organization signed an agreement with one former senior executive, which includes payments in future years. As of June 30, 2022, \$25,000 remained payable under this agreement. This amount is reflected as other liabilities in the consolidated statement of financial position as of June 30, 2022.

### 9. Commitments and Contingencies

#### *Operating Leases*

The Organization leases office space under various leases expiring at various dates through June 30, 2025.

Future minimum annual lease payments are as follows:

*Year ending June 30,*

2023	\$	553,386
2024		553,386
2025		415,040
	\$	1,521,812

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# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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The Organization amended its 15-year lease agreement in April 2021, which included eight months of free rent. For consolidated financial statement purposes, base rent is amortized on a straight-line basis over the term of the lease at an average monthly amount of \$44,263. The amortized free rent is equivalent to approximately \$323,000 over the life of the lease. Rent expense and deferred rent amounted to \$451,343 and \$195,810, respectively, for the year ended June 30, 2022.

The Organization has a letter of credit with a financial institution in the amount of \$228,672 to cover the security deposit on the lease space for the New York City office. The initial letter of credit is automatically extended annually on March 31, however, not beyond May 30, 2025, unless either party gives a 60-days' written notice for expiration.

### 10. With Donor Restriction Net Assets - Purpose-Restricted

With donor restriction net assets are available for the following purposes:

*June 30, 2022*

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Program office delivery	\$	198,500
Partner programs		25,000
Multiple programs and operations		4,492,136
	\$	4,715,636

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With donor restriction net assets were released from restrictions in fulfillment of the following purposes or due to the expiration of time restrictions:

*Year ended June 30, 2022*

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Program office delivery	\$	449,708
Partner programs		175,000
Entrepreneurship teacher corps		80,421
Curriculum and platform development		50,000
Multiple programs and operations		4,425,000
<b>Released from Restrictions</b>	\$	5,180,129

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### 11. With Donor Restriction Net Assets - Held in Perpetuity

With donor restriction net assets - perpetual in nature represent donor-restricted contributions to be held in perpetuity. Those contributions plus the pro-rata share of the change in portfolio valuation are expendable for the following purposes:

*June 30, 2022*

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Regional programs	\$	42,059
Teacher training and development		2,277,966
Deferred compensation		511,108
Volunteers		150,000
Alumni services		912,665
Multiple programs and operations		6,838,793
	\$	10,732,591

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# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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### 12. Line of Credit

The Organization has a \$1,700,000 secured working capital line of credit with a bank, which is available through February 14, 2023 and is subject to annual renewal. The interest rate is subject to change, from time-to-time, based on changes in an independent index, which is the rate of interest published in *The Wall Street Journal* as the U.S. Prime Rate (prime rate). The prime rate at June 30, 2022 is 4.75%. The loan is collateralized by a perfected security interest in the Organization's inventory, chattel paper, accounts receivable, equipment, and general intangibles. At June 30, 2022, there was no outstanding line of credit balance.

### 13. Teachers' and Other In-Kind Contribution

During the fiscal year, the value of teacher's in-kind contributions to the Organization consisted of the following:

*Year ended June 30, 2022*

Program services - teacher services - estimated value of teacher services	\$	4,668,620
Program services - other support services		3,399
<b>Total</b>	<b>\$</b>	<b>4,672,019</b>

The teacher's in-kind contributions represents 94,005 classroom hours that the Organization taught by volunteer teachers. The classroom hours were determined based on volunteer teacher's hours reported to the Organization by each volunteer teacher. The value of teacher's in-kind contributions are based on their average salary in the respective city that they reside in and was selected on a city-by-city basis from information available on the U.S. Department of Labor - Bureau of Labor Statistics website.

### 14. Endowment Fund

NFTE Endowment Fund, Inc. is a separate legal entity and is governed by a separate Board of Directors and maintains a donor-restricted endowment fund (the Endowment Fund) consisting of various funds that have been established for various purposes and have been classified as with donor restriction net assets - held in perpetuity (see Note 11).

The Board of Directors of NFTE Endowment Fund, Inc. has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Endowment Fund is classified as with donor restriction - perpetual in nature and includes the following:

- The original value of gifts donated to the endowment.
- The original value of subsequent gifts to the endowment.
- Accumulation of the endowment made in accordance with the direction of applicable donor instructions.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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The remaining portion of the Endowment Fund that is not classified as with donor restriction - perpetual in nature is classified as with donor restriction - purpose-restricted until those amounts are appropriated for expenditure by NFTE Endowment Fund, Inc. in a manner consistent with the donor's intent. In accordance with NYPMIFA, NFTE Endowment Fund, Inc. considers the following factors in making a determination to appropriate or accumulate the Endowment Fund:

- The duration and preservation of the fund.
- The purposes of NFTE Endowment Fund, Inc. and the Endowment Fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- The investment policies of NFTE Endowment Fund, Inc.
- Other resources of NFTE Endowment Fund, Inc.

The following table provides a reconciliation of the change in NFTE Endowment Fund, Inc.'s Endowment Fund net assets:

*Year ended June 30, 2022*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Endowment Net Assets</b> , beginning of year	\$ -	\$ 14,428,553	\$ 14,428,553
Investment loss, net	-	(1,589,016)	(1,589,016)
Appropriation of endowment assets for expenditure	-	(772,310)	(772,310)
<b>Endowment Net Assets</b> , end of year	\$ -	\$ 12,067,227	\$ 12,067,227

NFTE Endowment Fund, Inc. has adopted investment and spending policies for endowment assets that attempt to provide sufficient income to meet various program and operational expenses, and to extend the pursuit of NFTE Endowment Fund, Inc.'s mission in perpetuity. Of the \$12,067,227, \$10,732,591 is included in net assets with donor restrictions - held in perpetuity, with the remaining amount of \$1,334,636 included in net assets with donor restrictions - purpose-restricted.

Under this policy, as approved by the Board of Directors of NFTE Endowment Fund, Inc., the investment performance of NFTE Endowment Fund, Inc.'s portfolio will be measured relative to the following benchmarks:

- S&P 500 for the Vanguard 500 Index Fund Investor.
- S&P 500 Index for the Davis New York Venture Fund.
- Morningstar Large-Cap Value Index for the Sound Shore Fund.
- Barclays Capital U.S. Aggregate Index for BlackRock Total Return.
- Dow Credit Suisse Long/Short Equity Edge Fund Index for the Fund of Hedge Funds.
- Barclays five-to-ten-year U.S. Credit Index for the Vanguard Intermediate Term Investment Grade Fund.

# Network for Teaching Entrepreneurship and Related Organization

## Notes to Consolidated Financial Statements

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To satisfy its long-term rate-of-return objectives, NFTE Endowment Fund, Inc. relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). NFTE Endowment Fund, Inc. targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that donors or NYPMIFA requires the Organization to retain as a fund of perpetual duration. The donor-restricted Endowment Fund has original gift values of \$14,428,553, fair values of \$12,839,537, and deficiencies of \$(1,589,016); these deficiencies generally resulted from unfavorable market fluctuations that occurred after the investment of donor-restricted contributions.

NFTE Endowment Fund, Inc. may appropriate for distribution each year 5% of its invested assets based upon their rolling average value over the prior 12 quarters, which is in line with their targeted rate of return. In establishing this policy, NFTE Endowment Fund, Inc. considered the long-term expected return on its endowment. Accordingly, over the long term, NFTE Endowment Fund, Inc. expects the current spending policy to allow its endowment to grow annually.

For fiscal year 2022, the Board of Directors of NFTE Endowment Fund, Inc. approved for appropriation \$750,000, which is included in net assets released from restrictions in the consolidated statement of activities.

### 15. Paycheck Protection Program Loan

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was enacted by the president of the United States on March 27, 2020, which appropriated funds for the United States Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by the COVID-19 outbreak.

On February 5, 2021, NFTE received proceeds from a second SBA PPP loan in the amount of \$1,106,145. The application for these funds requires NFTE to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of NFTE. This certification further requires NFTE to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on NFTE having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria. During the fiscal year ended June 30, 2022, the SBA forgave this loan and NFTE reported the related forgiveness of debt on the consolidated statement of activities as income following the guidance of ASC 405-20, *Extinguishment of Liabilities*.

### 16. Subsequent Events

Management has performed subsequent events procedures through January 20, 2023, which is the date that the consolidated financial statements were available to be issued. There were no subsequent events identified that would require an adjustment to the consolidated financial statements or disclosure as a result of these procedures.



## Supplementary Information

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# Network for Teaching Entrepreneurship and Related Organization

## Schedule of Consolidating Financial Position (with comparative totals for 2021)

<i>June 30,</i>				Total	
	Network for Teaching Entrepreneurship	NFTE Endowment Fund, Inc.	Eliminations	2022	2021
<b>Assets</b>					
Cash and cash equivalents	\$ 9,153,034	\$ -	\$ -	\$ 9,153,034	\$ 7,410,851
Accounts receivable, net	147,846	18,136	-	165,982	86,955
Contributions receivable, net	2,140,749	-	(44,500)	2,096,249	1,609,266
Employee and teacher advances	2,017	-	-	2,017	14,388
Inventories	24,006	-	-	24,006	26,684
Prepaid expenses and other assets	309,768	-	-	309,768	356,635
Investments held in perpetuity	-	12,093,591	-	12,093,591	14,450,803
Fixed assets, net	45,074	-	-	45,074	62,855
	\$ 11,822,494	\$ 12,111,727	\$ (44,500)	\$ 23,889,721	\$ 24,018,437
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 788,728	\$ 44,500	\$ (44,500)	\$ 788,728	\$ 535,183
Accrued compensation and related liabilities	688,058	-	-	688,058	520,272
Deferred rent	195,810	-	-	195,810	264,919
Other liabilities	25,000	-	-	25,000	50,000
Paycheck Protection Program (PPP) loan	-	-	-	-	1,106,145
<b>Total Liabilities</b>	1,697,596	44,500	(44,500)	1,697,596	2,476,519
<b>Commitments and Contingencies</b>					
<b>Net Assets</b>					
Without donor restriction	6,743,898	-	-	6,743,898	4,250,736
With donor restriction	3,381,000	12,067,227	-	15,448,227	17,291,182
<b>Total Net Assets</b>	10,124,898	12,067,227	-	22,192,125	21,541,918
	\$ 11,822,494	\$ 12,111,727	\$ (44,500)	\$ 23,889,721	\$ 24,018,437

# Network for Teaching Entrepreneurship and Related Organization

## Schedule of Consolidating Activities (with comparative totals for 2021)

Year ended June 30,

	Network for Teaching Entrepreneurship	NFTE Endowment Fund, Inc.	Eliminations	Total	
				2022	2021
<b>Support and Revenues</b>					
Contributions	\$ 9,720,673	\$ -	\$ -	\$ 9,720,673	\$ 8,784,348
Contributions from endowment	750,000	-	(750,000)	-	-
License fees	68,800	-	-	68,800	27,500
Contract services	1,685,143	-	-	1,685,143	1,224,057
Training fees	134,248	-	-	134,248	112,567
Material sales	14,427	-	-	14,427	3,687
Teachers' and other in-kind contribution	4,672,019	-	-	4,672,019	4,405,283
Miscellaneous income	100,298	-	-	100,298	134,493
Royalty income	162,288	-	-	162,288	105,579
<b>Total Support and Revenues</b>	<b>17,307,896</b>	<b>-</b>	<b>(750,000)</b>	<b>16,557,896</b>	<b>14,797,514</b>
<b>Expenses</b>					
Program services	12,584,984	-	-	12,584,984	11,727,915
Contribution expense	-	750,000	(750,000)	-	-
<b>Total Program Services and Contribution Expense</b>	<b>12,584,984</b>	<b>750,000</b>	<b>(750,000)</b>	<b>12,584,984</b>	<b>11,727,915</b>
Supporting services:					
Management and general	1,635,749	22,310	-	1,658,059	1,626,055
Fundraising	1,183,265	-	-	1,183,265	1,232,746
<b>Total Supporting Services</b>	<b>2,819,014</b>	<b>22,310</b>	<b>-</b>	<b>2,841,324</b>	<b>2,858,801</b>
<b>Total Expenses</b>	<b>15,403,998</b>	<b>772,310</b>	<b>(750,000)</b>	<b>15,426,308</b>	<b>14,586,716</b>
<b>Change in Net Assets, before non-operating revenues</b>	<b>1,903,898</b>	<b>(772,310)</b>	<b>-</b>	<b>1,131,588</b>	<b>210,798</b>
<b>Non-Operating Revenues</b>					
Investment return, net	1,490	(1,589,016)	-	(1,587,526)	3,550,635
PPP loan forgiveness	1,106,145	-	-	1,106,145	1,079,700
<b>Change in Net Assets</b>	<b>3,011,533</b>	<b>(2,361,326)</b>	<b>-</b>	<b>650,207</b>	<b>4,841,133</b>
<b>Net Assets, beginning of year</b>	<b>7,113,365</b>	<b>14,428,553</b>	<b>-</b>	<b>21,541,918</b>	<b>16,700,785</b>
<b>Net Assets, end of year</b>	<b>\$ 10,124,898</b>	<b>\$ 12,067,227</b>	<b>\$ -</b>	<b>\$ 22,192,125</b>	<b>\$ 21,541,918</b>

# Network for Teaching Entrepreneurship and Related Organization

## Schedule of Fiscal Year Trend Analysis (in thousands)

	2012**	2013**	2014**	2015**	2016**	2017**	2018**	2019**	2020**	2021**	2022**
<b>Assets and Liabilities</b>											
Total assets	\$ 16,615	\$ 17,112	\$ 17,740	\$ 17,904	\$ 25,258	\$ 29,975	\$ 24,807	\$ 19,742	\$ 19,624	\$ 24,018	\$ 23,890
Total liabilities	1,705	1,658	2,182	2,476	2,122	1,813	1,500	1,611	2,923	2,477	1,698
<b>With Donor Restrictions</b>											
Revenue - purpose-restricted	\$ 4,188	\$ 4,683	\$ 6,449	\$ 7,023	\$ 14,277	\$ 13,706	\$ 5,514	\$ 4,260	\$ 4,892	\$ 3,439	\$ 4,949
Assets - purpose-restricted released	(4,536)	(5,284)	(5,619)	(7,293)	(6,369)	(8,774)	(11,287)	(11,446)	(10,659)	(5,616)	(4,430)
<b>Revenue and Expense</b>											
Total revenues	\$ 14,679	\$ 17,180	\$ 17,875	\$ 17,820	\$ 24,887	\$ 21,806	\$ 13,698	\$ 13,347	\$ 15,631	\$ 14,798	\$ 16,558
Total expenses	14,675	17,544	19,210	18,245	17,321	18,298	19,439	19,195	17,157	14,587	15,426
<b>Surplus (Deficit)</b>											
Operating	\$ 4	\$ (364)	\$ (1,335)	\$ (425)	\$ 7,566	\$ 3,508	\$ (5,741)	\$ (5,848)	\$ (1,526)	\$ 211	\$ 1,132
Non-operating	208	908	1,438	296	141	1,519	885	673	95	4,630	(482)
<b>Net Surplus (Deficit)</b>	<b>\$ 212</b>	<b>\$ 544</b>	<b>\$ 103</b>	<b>\$ (129)</b>	<b>\$ 7,707</b>	<b>\$ 5,027</b>	<b>\$ (4,856)</b>	<b>\$ (5,175)</b>	<b>\$ (1,431)</b>	<b>\$ 4,841</b>	<b>\$ 650</b>

\*\* Includes teachers' in-kind in 2012 (\$2,371), 2013 (\$2,426), 2014 (\$2,854), 2015 (\$3,069), 2016 (\$3,294), 2017 (\$3,381), 2018 (\$4,162), 2019 (\$4,748), 2020 (\$4,813), 2021 (\$4,395), and 2022 (\$4,672).