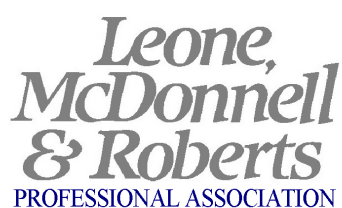


DIGITUNITY, INC. AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
AND
INDEPENDENT AUDITORS' REPORT**



CERTIFIED PUBLIC ACCOUNTANTS

DIGITUNITY, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of Digitunity, Inc. and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of Digitunity, Inc. and Affiliate (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Digitunity, Inc. and Affiliate (the Organization) as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the 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 available to be issued.

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 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 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules 1 and 2 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities 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 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 other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Leone, McDonnell & Roberts
Professional Association

North Conway, New Hampshire
October 2, 2024

DIGITUNITY, INC. AND AFFILIATE

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

ASSETS

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 943,354	\$ 2,105,538
Investments	6,850,297	6,941,453
Accounts receivable	<u>24,150</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 7,817,801</u>	<u>\$ 9,046,991</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 88,698</u>	<u>\$ 107,850</u>
 Total liabilities	 <u>88,698</u>	 <u>107,850</u>
 NET ASSETS		
Without donor restrictions	7,698,814	7,439,582
With donor restrictions	<u>30,289</u>	<u>1,499,559</u>
 Total net assets	 <u>7,729,103</u>	 <u>8,939,141</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 7,817,801</u>	 <u>\$ 9,046,991</u>

See Notes to Financial Statements

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUES			
Donations	\$ 75,730	\$ -	\$ 75,730
Program income	94,000	-	94,000
Grants	-	10,000	10,000
Investment return	1,063,183	-	1,063,183
Net assets released from restrictions	<u>1,479,270</u>	<u>(1,479,270)</u>	<u>-</u>
Total revenues	<u>2,712,183</u>	<u>(1,469,270)</u>	<u>1,242,913</u>
EXPENSES			
Program services	1,706,853	-	1,706,853
Management and general	743,598	-	743,598
Fundraising expenses	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total expenses	<u>2,452,951</u>	<u>-</u>	<u>2,452,951</u>
CHANGE IN NET ASSETS	259,232	(1,469,270)	(1,210,038)
NET ASSETS AT BEGINNING OF YEAR	<u>7,439,582</u>	<u>1,499,559</u>	<u>8,939,141</u>
NET ASSETS AT END OF YEAR	<u>\$ 7,698,814</u>	<u>\$ 30,289</u>	<u>\$ 7,729,103</u>

See Notes to Financial Statements

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUES			
Donations	\$ 74,400	\$ -	\$ 74,400
Program income	28,000	-	28,000
Grants	-	2,444,625	2,444,625
Investment return	(1,618,726)	-	(1,618,726)
Net assets released from restrictions	<u>1,786,918</u>	<u>(1,786,918)</u>	<u>-</u>
Total revenues	<u>270,592</u>	<u>657,707</u>	<u>928,299</u>
EXPENSES			
Program services	1,999,035	-	1,999,035
Management and general	805,323	-	805,323
Fundraising expenses	<u>13,000</u>	<u>-</u>	<u>13,000</u>
Total expenses	<u>2,817,358</u>	<u>-</u>	<u>2,817,358</u>
CHANGE IN NET ASSETS	(2,546,766)	657,707	(1,889,059)
NET ASSETS AT BEGINNING OF YEAR	<u>9,986,348</u>	<u>841,852</u>	<u>10,828,200</u>
NET ASSETS AT END OF YEAR	<u>\$ 7,439,582</u>	<u>\$ 1,499,559</u>	<u>\$ 8,939,141</u>

See Notes to Financial Statements

DIGITUNITY, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 517,244	\$ 433,677	\$ -	\$ 950,921
Professional fees	538,102	48,965	-	587,067
Program expenses	361,881	-	-	361,881
Payroll taxes and employee benefits	148,742	97,006	-	245,748
Travel and meetings	22,852	109,380	-	132,232
Office and related expenses	73,807	10,789	-	84,596
Telecommunications	4,835	27,499	-	32,334
Data processing fees	21,276	3,455	-	24,731
Advertising and promotion	15,227	1,039	-	16,266
Insurance	2,836	9,224	-	12,060
Taxes	-	2,564	-	2,564
Fundraising expenses	-	-	2,500	2,500
Interest expense	<u>51</u>	<u>-</u>	<u>-</u>	<u>51</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,706,853</u>	<u>\$ 743,598</u>	<u>\$ 2,500</u>	<u>\$ 2,452,951</u>

See Notes to Financial Statements

DIGITUNITY, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Professional fees	\$ 874,073	\$ 114,432	\$ -	\$ 988,505
Salaries	463,511	438,835	-	902,346
Advertising and promotion	260,111	20,234	-	280,345
Payroll taxes and employee benefits	132,188	104,115	-	236,303
Program expenses	142,796	-	-	142,796
Office and related expenses	92,218	10,450	-	102,668
Travel and meetings	14,503	66,125	-	80,628
Telecommunications	4,569	29,143	-	33,712
Data processing fees	13,250	9,616	-	22,866
Fundraising expenses	-	-	13,000	13,000
Insurance	1,816	6,549	-	8,365
Taxes	-	5,824	-	5,824
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,999,035</u>	<u>\$ 805,323</u>	<u>\$ 13,000</u>	<u>\$ 2,817,358</u>

See Notes to Financial Statements

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,210,038)	\$ (1,889,059)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Unrealized (gain) loss on investments	(843,729)	1,384,096
Realized (gain) loss on investments	(156,534)	383,914
(Increase) decrease in assets:		
Accounts receivable	(24,150)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(19,152)</u>	<u>84,548</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,253,603)</u>	<u>(36,501)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	4,765,334	6,318,477
Purchases of investments	<u>(3,673,915)</u>	<u>(5,478,691)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,091,419</u>	<u>839,786</u>
NET INCREASE (DECREASE) IN CASH	(1,162,184)	803,285
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,105,538</u>	<u>1,302,253</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 943,354</u></u>	<u><u>\$ 2,105,538</u></u>

See Notes to Financial Statements

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Digitunity, Inc. (Digitunity) is a not-for-profit organization incorporated under the laws of the state of Delaware. Digitunity's mission is to make owning a computer possible for everyone. To achieve its mission, Digitunity helps more people own computers by reshaping and strengthening the systems that make it possible.

The organization was established on March 30, 2021 as a spin-off entity of National Cristina Foundation, Inc. (the Foundation), creating a fresh new identity and brand that better aligned with the marketplace. Digitunity was awarded 501(c)(3) public charity status by the Internal Revenue Service on December 1, 2021.

National Cristina Foundation is a New York not-for-profit private foundation, which has worked to generate and match donations of technology to a network of practitioner organizations serving marginalized populations since the mid-1980s. Its mission is to eliminate the digital divide through device ownership, connectivity, and digital skills development, and its work is accomplished by providing financial support to Digitunity.

On January 20, 2022, National Cristina Foundation transferred all operations to the new entity, and Digitunity formally came to life. At that point, the Foundation adopted new bylaws, downsized its Board of Directors to three people, and transitioned all staff to the new entity.

According to New York law, National Cristina Foundation will have the opportunity to consider beginning the dissolution process in March of 2026. Dissolution is not mandatory, it is an option that may be considered to simplify how the entities operate. At that time, the Boards of Directors of each entity may consider dissolving the Foundation and transferring all remaining assets to Digitunity so that the Foundation's long-standing work of advancing digital equity can continue well into the future.

Basis of Consolidation

The consolidated financial statements include the accounts of Digitunity and the Foundation (collectively referred to as the "Organization"). Consolidation is necessary since Digitunity has both an economic interest in the Foundation and control of the Foundation through a majority voting interest in its governing board. All material intra-entity transactions have been eliminated.

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Basis of Accounting

The accounts are maintained, and the consolidated financial statements prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 board of directors.

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, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

As of December 31, 2023 and 2022, the Organization had both net assets with donor restrictions and net assets without donor restrictions.

Use of Estimates

The preparation of consolidated 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Accounts Receivable

Accounts receivable consists of program service fees receivable. At December 31, 2023 and 2022, accounts receivable were considered fully collectible, and therefore, no provisions for bad debts have been made in these financial statements.

Investments

Investments are accounted for according to Accounting Standards Codification (ASC) 958-320 *Not For Profit Entities – Investments – Debt and Equity Securities*. Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets. Fair values of investments are based on quoted prices in active markets for identical investments.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

The Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”, along with its related amendments, requires organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue from program income is recognized over the terms of the program and the period of service provided.

Contributed Services

The Organization recognizes contributions of services which create or enhance non-financial assets; require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributed services and promises to give services that do not meet the above criteria are not recognized in the consolidated financial statements. There were no contributed services that met these criteria for the periods presented.

Individuals contribute freely of their time and talent in furtherance of the Organization’s goals. The Organization has not recorded the value of these services in the consolidated financial statements since a clearly measurable basis for a determination of such value does not exist.

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Contributions

The Organization records contributions of cash and other assets when received or when an unconditional promise to give such assets is received from the donor. Contributions are recorded at the fair value of the assets received and are classified as with donor restrictions or without donor restrictions, based on the existence and/or nature of donor restrictions. The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period in which they are received are reported as net assets without donor restrictions in the financial statements.

Contributions of property or equipment, or contributions to acquire property or equipment, are reported as net assets without donor restrictions, absent a specific donor-imposed restriction on the use of such assets.

Advertising Costs

All advertising costs are expensed as incurred in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 340-20, *Accounting for Advertising Costs*.

Income Taxes

Digitunity is exempt from paying federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. As a result of this exemption, no provision or liability for federal or state income taxes are included in these financial statements.

The Foundation is exempt from paying federal and state income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Further, the Internal Revenue Service has determined that the Foundation is a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. As a result of this exemption, no provision or liability for federal or state income taxes are included in these financial statements. The Foundation is liable for federal excise tax of 1.39% on net investment income, the amount of which was not significant in 2023 and 2022. Contributions to the Foundation are tax deductible within the limits prescribed by the Code.

Digitunity and the Foundation have processes presently in place to ensure the maintenance of their tax-exempt status; identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has a nexus; and review other matters that may be considered tax positions.

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Digitunity and the Foundation follow FASB ASC Topic No. 740, Accounting for Uncertainty in Income Taxes, which requires the entities to report uncertain tax positions, related interest and penalties, and to adjust its assets and liabilities for unrecognized tax benefits and accrued interest and penalties accordingly. At December 31, 2023, Digitunity and the Foundation determined it had no tax positions that did not meet the "more likely than not" standard of being sustained by tax authorities. Digitunity and the Foundation are subject to three years of federal or state examinations by tax authorities.

Functional Expense Allocation

The cost of providing the various program and supporting services have been summarized on the functional basis in the accompanying Consolidated Statements of Functional Expenses.

The majority of the Organization's expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to components of these services based on allocation factors determined by management on a reasonable basis that is consistently applied. The expenses were allocated on the basis of estimates of time and effort.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposited in an account at a high-credit-quality financial institution, the balances of which, from time to time, may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. The Organization has not experienced, nor does it anticipate, any losses with respect to such account.

Fair Value of Financial Instruments

ASC Topic No. 820-10, *Financial Instruments*, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with FASB ASC 820-10, the Foundation may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820-10 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

At December 31, 2023 and 2022, the Organization's investments were all classified as Level 1 and were based on fair value.

The carrying value reported in the consolidated statements of financial position approximates fair value because of the short-term maturity of the assets for cash, accounts receivable, accounts payable, and accrued expenses.

Risks and Uncertainties

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

2. RETIREMENT PLAN

Digitunity offers its employees a 401(k) defined contribution retirement plan (Plan). Under the terms of the Plan, employees become eligible upon the first day of employment and may allocate a portion of their salary, up to the annual federal dollar limit for these contributions, through payroll deductions to their accounts. Digitunity matches all retirement contributions up to a maximum 5% of salary.

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

3. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of December 31:

Financial assets at year-end:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 943,354	\$ 2,105,538
Accounts receivable	24,150	-
Investments	<u>6,850,297</u>	<u>6,941,453</u>
 Total financial assets	 7,817,801	 9,046,991
 Less net assets with donor restrictions	 <u>30,289</u>	 <u>1,499,559</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 7,787,512</u>	 <u>\$ 7,547,432</u>

The Organization's goal is generally to maintain financial assets to meet current operating expenses. As part of its liquidity plan, excess cash is placed into an interest-bearing account or an investment account.

4. INVESTMENTS

Investments held in the form of mutual funds and individual equities are stated at fair value. Realized gains and losses are determined on the specific identification method. Gains and losses (realized and unrealized) are reported in the consolidated statement of activities as increases or decreases to net assets without donor restrictions, except for those investments for which their use is restricted. Information on investments at December 31 are presented as follows:

	<u>2023</u>		<u>2022</u>
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
			<u>Market Value</u>
Equities	\$ 1,664,351	\$ 2,723,603	\$ 2,221,892
Exchange traded funds	634,508	679,040	325,383
Money market	-	-	150,000
Mutual Funds	561,238	546,314	993,904
Fixed income	2,792,743	2,901,340	2,786,862
Other	<u>-</u>	<u>-</u>	<u>147,835</u>
 Totals	 <u>\$ 5,652,840</u>	 <u>\$ 6,850,297</u>	 <u>\$ 6,625,876</u>
			<u>\$ 6,941,453</u>

DIGITUNITY, INC. AND AFFILIATE

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Components of investment return:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 99,375	\$ 189,418
Unrealized gain (loss)	843,729	(1,384,096)
Realized gain (loss)	156,534	(383,914)
Investment fees	<u>(36,455)</u>	<u>(40,134)</u>
Total investment return	<u>\$ 1,063,183</u>	<u>\$(1,618,726)</u>

The following is a description of the valuation methodologies used for assets at fair value:

Equities: Valued at the closing price reported on the active market on which the individual equities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held at year-end.

Exchange traded funds: Valued at the net asset value (NAV) of shares held at year-end.

Money Market: Valued at the net asset value (NAV) of shares held at year-end.

Fixed income: Valued at the closing price reported on the active market on which the security is traded.

Other: Valued at the closing price reported on the active market on which the security is traded.

5. NET ASSETS WITH DONOR RESTRICTIONS

During the years ended December 31, 2023 and 2022, the Organization received grants with donor restrictions. The nets assets with purpose restrictions are as follows:

	<u>2023</u>	<u>2022</u>
Digital literacy programs	\$ 20,289	\$ 1,499,559
Computers for a selected charity	<u>10,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 30,289</u>	<u>\$ 1,499,559</u>

DIGITUNITY, INC. AND AFFILIATE

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

6. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Non-recognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through October 2, 2024, the date the December 31, 2023 consolidated financial statements were available for issuance.

DIGITUNITY, INC. AND AFFILIATE

**SCHEDULE 1 - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

	<u>Digitunity, Inc.</u>	<u>National Cristina Foundation, Inc.</u>	<u>Total</u>	<u>Consolidating Adjustments</u>	<u>Consolidated</u>
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 614,934	\$ 328,420	\$ 943,354	\$ -	\$ 943,354
Investments	-	6,850,297	6,850,297	-	6,850,297
Accounts receivable	<u>24,000</u>	<u>150</u>	<u>24,150</u>	<u>-</u>	<u>24,150</u>
TOTAL ASSETS	<u>\$ 638,934</u>	<u>\$ 7,178,867</u>	<u>\$ 7,817,801</u>	<u>\$ -</u>	<u>\$ 7,817,801</u>
<u>LIABILITIES AND NET ASSETS</u>					
LIABILITIES					
Accounts payable and accrued expenses	<u>\$ 88,698</u>	<u>\$ -</u>	<u>\$ 88,698</u>	<u>\$ -</u>	<u>\$ 88,698</u>
Total liabilities	<u>88,698</u>	<u>-</u>	<u>88,698</u>	<u>-</u>	<u>88,698</u>
NET ASSETS					
Without donor restrictions	519,947	7,178,867	7,698,814	-	7,698,814
With donor restrictions	<u>30,289</u>	<u>-</u>	<u>30,289</u>	<u>-</u>	<u>30,289</u>
Total net assets	<u>550,236</u>	<u>7,178,867</u>	<u>7,729,103</u>	<u>-</u>	<u>7,729,103</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 638,934</u>	<u>\$ 7,178,867</u>	<u>\$ 7,817,801</u>	<u>\$ -</u>	<u>\$ 7,817,801</u>

DIGITUNITY, INC. AND AFFILIATE

SCHEDULE 1 - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2022

	<u>Digitunity, Inc.</u>	<u>National Cristina Foundation, Inc.</u>	<u>Total</u>	<u>Consolidating Adjustments</u>	<u>Consolidated</u>
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 1,980,323	\$ 125,215	\$ 2,105,538	\$ -	\$ 2,105,538
Investments	854,292	6,087,161	6,941,453	-	6,941,453
Accounts receivable	<u>34,104</u>	<u>-</u>	<u>34,104</u>	<u>(34,104)</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,868,719</u>	<u>\$ 6,212,376</u>	<u>\$ 9,081,095</u>	<u>\$ (34,104)</u>	<u>\$ 9,046,991</u>
<u>LIABILITIES AND NET ASSETS</u>					
LIABILITIES					
Accounts payable and accrued expenses	<u>\$ 107,625</u>	<u>\$ 34,329</u>	<u>\$ 141,954</u>	<u>\$ (34,104)</u>	<u>\$ 107,850</u>
Total liabilities	<u>107,625</u>	<u>34,329</u>	<u>141,954</u>	<u>(34,104)</u>	<u>107,850</u>
NET ASSETS					
Without donor restrictions	2,079,536	5,360,046	7,439,582	-	7,439,582
With donor restrictions	<u>681,558</u>	<u>818,001</u>	<u>1,499,559</u>	<u>-</u>	<u>1,499,559</u>
Total net assets	<u>2,761,094</u>	<u>6,178,047</u>	<u>8,939,141</u>	<u>-</u>	<u>8,939,141</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,868,719</u>	<u>\$ 6,212,376</u>	<u>\$ 9,081,095</u>	<u>\$ (34,104)</u>	<u>\$ 9,046,991</u>

DIGITUNITY, INC. AND AFFILIATE

**SCHEDULE 2 - CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Digitunity, Inc.</u>	<u>National Cristina Foundation, Inc.</u>	<u>Total</u>	<u>Consolidating Adjustments</u>	<u>Consolidated</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS, REVENUES AND OTHER SUPPORT					
Donations	\$ 75,730	\$ -	\$ 75,730	\$ -	\$ 75,730
Program income	94,000	-	94,000	-	94,000
Investment return	48,608	1,014,575	1,063,183	-	1,063,183
Net assets released from restrictions	<u>661,269</u>	<u>818,001</u>	<u>1,479,270</u>	<u>-</u>	<u>1,479,270</u>
Total revenues and other support	<u>879,607</u>	<u>1,832,576</u>	<u>2,712,183</u>	<u>-</u>	<u>2,712,183</u>
EXPENSES					
Program services	1,706,854	-	1,706,854	-	1,706,854
Management and general	729,842	13,755	743,597	-	743,597
Fundraising expense	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total expenses	<u>2,439,196</u>	<u>13,755</u>	<u>2,452,951</u>	<u>-</u>	<u>2,452,951</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(1,559,589)</u>	<u>1,818,821</u>	<u>259,232</u>	<u>-</u>	<u>259,232</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS REVENUES AND OTHER SUPPORT					
Grants	10,000	-	10,000	-	10,000
Net assets released from restrictions	<u>(661,269)</u>	<u>(818,001)</u>	<u>(1,479,270)</u>	<u>-</u>	<u>(1,479,270)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(651,269)</u>	<u>(818,001)</u>	<u>(1,469,270)</u>	<u>-</u>	<u>(1,469,270)</u>
CHANGE IN NET ASSETS	<u>(2,210,858)</u>	<u>1,000,820</u>	<u>(1,210,038)</u>	<u>-</u>	<u>(1,210,038)</u>
NET ASSETS, BEGINNING OF YEAR	<u>2,761,094</u>	<u>6,178,047</u>	<u>8,939,141</u>	<u>-</u>	<u>8,939,141</u>
NET ASSETS, END OF YEAR	<u>\$ 550,236</u>	<u>\$ 7,178,867</u>	<u>\$ 7,729,103</u>	<u>\$ -</u>	<u>\$ 7,729,103</u>

DIGITUNITY, INC. AND AFFILIATE

**SCHEDULE 2 - CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Digitunity, Inc.	National Cristina Foundation, Inc.	Total	Consolidating Adjustments	Consolidated
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
REVENUES AND OTHER SUPPORT					
Donations					
Program income	\$ 3,086,325	\$ 989	\$ 3,087,314	\$ (3,012,914)	\$ 74,400
Grants	28,000	-	28,000	-	28,000
Other	(139,796)	(1,478,930)	(1,618,726)	-	(1,618,726)
	<u>1,763,067</u>	<u>23,851</u>	<u>1,786,918</u>	<u>-</u>	<u>1,786,918</u>
Total revenues and other support	<u>4,737,596</u>	<u>(1,454,090)</u>	<u>3,283,506</u>	<u>(3,012,914)</u>	<u>270,592</u>
EXPENSES					
Program services					
Management and general	1,977,894	3,034,055	5,011,949	(3,012,914)	1,999,035
Fundraising expense	667,166	138,157	805,323	-	805,323
Net assets released from restrictions	<u>13,000</u>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>13,000</u>
Total expenses	<u>2,658,060</u>	<u>3,172,212</u>	<u>5,830,272</u>	<u>(3,012,914)</u>	<u>2,817,358</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,079,536</u>	<u>(4,626,302)</u>	<u>(2,546,766)</u>	<u>-</u>	<u>(2,546,766)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS					
REVENUES AND OTHER SUPPORT					
Grants	2,444,625	-	2,444,625	-	2,444,625
Net assets released from restrictions	<u>(1,763,067)</u>	<u>(23,851)</u>	<u>(1,786,918)</u>	<u>-</u>	<u>(1,786,918)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>681,558</u>	<u>(23,851)</u>	<u>657,707</u>	<u>-</u>	<u>657,707</u>
CHANGE IN NET ASSETS	<u>2,761,094</u>	<u>(4,650,153)</u>	<u>(1,889,059)</u>	<u>-</u>	<u>(1,889,059)</u>
NET ASSETS, BEGINNING OF YEAR	<u>-</u>	<u>10,828,200</u>	<u>10,828,200</u>	<u>-</u>	<u>10,828,200</u>
NET ASSETS, END OF YEAR	<u>\$ 2,761,094</u>	<u>\$ 6,178,047</u>	<u>\$ 8,939,141</u>	<u>\$ -</u>	<u>\$ 8,939,141</u>