



**Free Software Foundation, Inc  
Financial Statements  
For the Year Ended September 30, 2023**

Draft 2



Babson & Associates, LLC

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## Independent Auditors' Report

To the Board of Directors of  
Free Software Foundation, Inc  
Boston, MA

We have audited the accompanying financial statements of Free Software Foundation, Inc (a nonprofit Corporation), which comprise the statement of financial position as of September 30, 2023 and the related statement of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Free Software Foundation, Inc as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Free Software Foundation, Inc 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.

### Responsibility of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## Auditor's Responsibility (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Free Software Foundation, Inc internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Free Software Foundation, Inc 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.

A handwritten signature in black ink, reading "Mariya Babson", followed by a horizontal line and a period. The signature is enclosed in a yellow rectangular box.

Mariya Babson, Certified Public Accountant  
Babson & Associates, LLC  
Duxbury, Massachusetts  
February, XX 2025

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**September 30, 2023**

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**Notes to Financial Statements**

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**Free Software Foundation, Inc**  
**Statement of Financial Position**  
**As of September 30, 2023**

<b>Assets</b>	
<b>Current Assets</b>	<b>2023</b>
Cash and cash equivalents	\$ 518,062
Certificates of Deposit	961,410
Accounts receivable, net	1,250
Inventory	17,022
Total current assets	1,497,744
<b>Fixed Assets</b>	
Equipment	78,623
Leasehold improvements	22,571
Total fixed assets	101,194
Less: accumulated depreciation	87,843
Total net fixed assets	13,351
<b>Other Assets</b>	
Investments	317,976
Operating lease right of use asset	136,982
Security deposit	13,228
Total other assets	468,186
<b>Total Assets</b>	<b>\$ 1,979,281</b>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 1,870
Operating lease liability	136,982
Accrued expenses	219,791
Total current liabilities	358,643
<b>Total liabilities</b>	<b>358,643</b>
<b>Net Assets</b>	
Without donor restrictions	1,007,694
With donor restrictions	612,944
<b>Total net assets</b>	<b>1,620,638</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,979,281</b>

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**Free Software Foundation, Inc**  
**Statement of Activities**  
**For the Years Ended September 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	<b>2023 Total</b>
<b>Revenue and Support</b>			
Contributions	\$ 285,399	8,597	\$ <b>293,996</b>
Membership dues	665,016	-	<b>665,016</b>
Non cash contributions (note 2):			
Cryptocurrency	20,673	-	<b>20,673</b>
In kind services	25,988	-	<b>25,988</b>
In kind products	4,421	-	<b>4,421</b>
Product sales, net	20,102	-	<b>20,102</b>
Change in investments	22,217	-	<b>22,217</b>
Interest income	36,165	-	<b>36,165</b>
Other revenues	15,361	-	<b>15,361</b>
Net assets released from restrictions (note 4)	143,329	(143,329)	<b>-</b>
Total revenue and support	<u>1,238,671</u>	<u>(134,732)</u>	<u><b>1,103,939</b></u>
<b>Expenses</b>			
Program services	1,591,226	-	<b>1,591,226</b>
Management, general and administrative	118,148	-	<b>118,148</b>
Fundraising	57,831	-	<b>57,831</b>
Total expenses	<u>1,767,205</u>	<u>-</u>	<u><b>1,767,205</b></u>
<b>Change in Net Assets</b>	(528,534)	(134,732)	<b>(663,266)</b>
<b>Net Assets at Beginning of Year</b>	<u>1,536,228</u>	<u>747,676</u>	<u><b>2,283,904</b></u>
<b>Net Assets at End of Year</b>	<u><u>1,007,694</u></u>	<u><u>612,944</u></u>	<u><u>\$ <b>1,620,638</b></u></u>

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**Free Software Foundation, Inc**  
**Statement of Functional Expenses**  
**For the Years Ended September 30, 2023**

	Program	Management General & Administrative	Fundraising	2023 Total
Salaries	\$ 741,430	63,186	33,153	\$ 837,769
Taxes	71,026	5,995	2,912	79,933
Benefits	188,878	10,124	3,483	202,485
	1,001,334	79,305	39,548	1,120,187
Occupancy	155,265	6,365	13,105	174,735
Grant	130,000	-	-	130,000
Professional fees	97,547	19,358	1,871	118,776
Credit card processing fees	41,521	-	147	41,668
Special events & mailings	44,645	452	452	45,549
Conference & meetings	39,624	3,512	4,689	47,825
Outside services	14,860	1,254	609	16,723
Shipping & materials	6,645	400	961	8,006
Purchases	20,044	-	-	20,044
Professional fees - in kind	25,988	-	-	25,988
Donations - in kind	4,421	-	-	4,421
Insurance	7,330	534	260	8,124
Telecommunications	6,466	546	265	7,277
Office expenses	4,490	862	419	5,771
Utilities	6,157	520	252	6,929
Depreciation	2,330	197	96	2,623
Promotion & marketing	1,805	-	-	1,805
Licenses & permits	798	-	-	798
Total Functional Expenses	1,611,270	113,305	62,674	1,787,249
Less items included within Statement of Activities				
Cost of product sales	(20,044)	-	-	(20,044)
<b>Total Functional Expenses Presented on the</b>				
<b>Statement of Activities</b>	\$ 1,591,226	113,305	62,674	\$ 1,767,205

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See accountants' audit report and accompanying  
notes to the financial statements.

**Free Software Foundation, Inc**  
**Statement of Cash Flows**  
**For the Years Ended September 30, 2023**

<b>Cash Flows from Operating Activities</b>	<b>2023</b>
<b>Change in Net Assets</b>	<b>\$ (663,266)</b>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	2,622
Net unrealized and realized (gains) / losses on investments	(41,869)
Decrease (increase) in assets	
Accounts receivable, net	(1,250)
Inventory	1,732
Increase (decrease) in liabilities	
Accounts payable	(1,660)
Accrued expenses	136,731
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(566,960)</b>
<b>Cash Flows from Investing Activities</b>	
Certificates of Deposit Interest	(757,492)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(757,492)</b>
<b>Net Change in Cash, Cash Equivalents, &amp; Restricted Cash</b>	<b>(1,324,452)</b>
<b>Cash, Cash Equivalents, &amp; Restricted Cash - Beginning</b>	<b>1,842,514</b>
<b>Cash, Cash Equivalents, &amp; Restricted Cash - Ending</b>	<b>\$ 518,062</b>
<b>Supplement Disclosure of Cash Flow Information</b>	
Right of use asset acquired in exchange for operating lease	136,982

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# Free Software Foundation, Inc

## Notes to Financial Statements

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### 1. Nature of the Business

Free Software Foundation, Inc (the "Organization") was created in 1985 under the provision of the General Laws of Massachusetts, and qualifies as a tax exempt, not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Donors may deduct contributions made to the Organization within the IRC requirements.

The Organization promotes and defends the rights of all computer users, to use, study, copy, and modify the software on their computers, as well as the related documentation. The Organization assists in the development and use of free software and documentation.

### 2. Summary of Significant Accounting Policies

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis with net assets, revenues, expenses, gains, and losses classified in two categories based on the existence or absence of externally imposed restrictions. Operating revenues consist of those monies received and contributions attributable to the Organization's ongoing efforts. The net assets of the Organization are classified and defined as follows:

#### ***Net Assets Without Donor Restrictions***

Net assets that are not subject to donor-imposed stipulations are considered unrestricted. Net assets without donor restriction may be designated for specific purposes by action of the Board of Directors.

#### ***Net Assets With Donor Restrictions***

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### **Use of Estimates**

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

#### **Cash and Cash Equivalents, Concentration of Credit Risk**

The Organization considers all highly liquid investments, money market funds, and deposits with an original maturity of three months or less, when acquired, to be cash equivalents. The Organization maintains cash balances with financial institution insured by the Federal Deposit Insurance Corporation. The balances in some accounts exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

# Free Software Foundation, Inc

## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies (continued)

#### Accounts Receivable

Receivables from contracts with clients are reported as accounts receivable, net in the accompanying statements of financial position. At each financial position date, the Organization recognizes an expected allowance for credit losses. In addition, at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses. The Organization writes off receivables when there is information that indicates that the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. Management has determined an allowance is required for one of its third-party payors as of September 30, 2023. During the year the Organization had written off any of the receivables.

#### Contributions Receivable

The Organization recognizes contributions receivable at an amount equal to uncollected but promised without conditions or earned revenue less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on history of past write-offs and collections and current credit conditions. As of September 30, 2023, management has determined any allowance would be immaterial.

#### Certificates of Deposit

Certificates of deposit consist of the following as of September 30, 2023

9/30/23			
CD principle	Interest rate	Maturity date	
\$ 100,000	4.59%	1/26/2024	
150,000	5.30%	11/28/2023	
100,000	5.35%	2/29/2024	
200,000	5.30%	7/23/2024	
100,000	5.30%	7/24/2024	
100,000		10/30/2023	
100,000		1/27/2024	
100,000		10/30/2023	
\$ 950,000	Total		

#### Inventory

The inventory consists of merchandise held for sale and primarily includes books and clothing and sold through the Organization's website. Inventory is stated at the lower of cost or net realizable value and is accounted for on a first-in, first-out basis.

# Free Software Foundation, Inc

## Notes to Financial Statements

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### 2. Summary of Significant Accounting Policies (continued)

#### Property and Equipment

Property and equipment are stated at cost at the time of acquisition or fair market value at the time of donation. Expenditures for maintenance and repairs are charged to expense as incurred; major betterments are capitalized. The Organization has capitalization policy and only capitalizes those assets that are over \$5,000 in value individually and have lives of more than one year. When assets are sold or retired, the related costs and accumulated depreciation are removed from the respective accounts and any resulting gain or loss is credited or charged to operations. Provisions for depreciation are made in the accounts using the straight-line method over the estimated useful life of the asset. The Organization depreciates equipment and office furniture over 5 years, and it depreciates lease improvements over 10 years which is the term of the lease agreement. Depreciation expense for the year ended September 30, 2023 amounted to \$2,623

#### Investment Policy

The Organization's investment policy is to maintain a high-quality portfolio that preserves principal, meets liquidity needs, and delivers a suitable return based on market conditions and relative benchmarks. The Board of Directors oversees investment performance and has the discretion to change the investment objectives.

#### Contributions

Contributions, including unconditional promises to give, are recognized as net assets with or without donor restrictions, depending on the existence and or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions, if restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

#### In-kind donations and services

Contributed services represent the estimated fair value of services provided to the Organization. Contributed services are recognized for services that require specialized skills and are provided by persons possessing those skills in the period in which they are received. During the fiscal year ended on September 30, 2023 the Organization has received an estimate of \$25,988 of non-cash donations and contributed services. Contributions of noncash assets, marketable securities, or cryptocurrency are recorded at their fair market value upon the date of the donation. The Organization has received an estimate of \$20,673 of Bitcoin and Litecoin contributions in the year ended on September 30, 2023 which was recorded at Fair Value on the day the gift was received. Contributions of noncash assets received was valued at \$4,421 and was recognized as revenues during the year.

#### Revenue Recognition

The Organization recognizes revenue in accordance with Financial Accounting Standard Board (FASB) Accounting Standard Update (ASU) 2014-09, Revenue from Contract with Customer, as amended. ASU 2014-09 applies to exchange transaction with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its statement of activities and changes in net assets:

# Free Software Foundation, Inc

## Notes to Financial Statements

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### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition

*Product Sales:* The Organization sells merchandise on a retail basis to customer. The performance obligation is the delivery of the merchandise to the customer. The transaction price is established by the Organization. As each item is individually priced, not allocation of the transaction price is necessary. The revenue is recognized as the customer pays and takes possession of the merchandise. Some merchandise is sold with a right of return. If probable, customer returns exist at the end of an accounting period, the organization estimates and records in its financial statement a liability for such returns, which offset revenue. Not liability for probable customer returns was considered necessary as of September 30, 2023.

#### Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis amongst its various functions. All of the Organization's allocated expenditures have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses that cannot be identified with specific program and support services are allocated directly to their expenditure classification. Management, general and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization and include those costs related to the internal management and accounting for program services. Fundraising costs include all activities related to maintaining contributor information, distribution of materials and other similar projects related to the procurement of funds.

#### Compensated Vacation

Regular full-time employees working at least 40 hours per week are eligible to accrue paid vacation time. Full time employees are eligible to accrue and roll forward to the next year up to 30 days (240 hours) of paid vacation annually. Part time employees are eligible to accrue paid vacations at prorated rates. The Organization has accrued \$62,923 of paid time off as of September 30, 2023.

#### Advertising Costs

Advertising costs are charged to operations as incurred. Advertising and promotion costs were \$4,171 for the year ended September 30, 2023

#### Income Taxes

The Organization is a tax-exempt entity under Code Section 501(c)(3) of the Internal Revenue Code (the "Code"), and is exempt from federal and state income taxes. The Organization is subject to federal and state income taxes on unrelated business income. The Organization is not a private foundation within the meaning of the Code. During the year ended September 30, 2023, the Organization did not earn any unrelated business income. Accordingly, no provision for income taxes is included in the financial statements. The Organization's management has determined that it has no uncertain tax positions, however, the information and tax returns are subject to examination by Federal and State jurisdictions.

# Free Software Foundation, Inc

## Notes to Financial Statements

### 3. Net Assets with Donor Restrictions

Donor restricted Net Assets as of September 30, 2023 consisted of the following:

Restricted purpose:	9/30/22	Additions	Releases	09/30/23
GNU related projects	\$ 512,991	\$ 8,213	\$ (142,516)	\$ 378,688
End software patents	30,690	334	(784)	30,240
Replicant project	203,995	50	(29)	204,016
Total net assets with donor restrictions:	\$ 747,676	\$ 8,597	\$ (143,329)	\$ 612,944

### 4. Operating Lease

The Organization has renewed lease for the office space in August 2017 located in Boston, MA. The renewed lease extends through August 2024 with base rental fee of \$11.666 and a proportional share of real estate taxes and utilities, all of which subject to increase each year as outlined in the lease agreement. The Organization has terminated the lease as of August 2024 and will no longer leases any office space. It has established remote processes of program and administrative functions. Rent and related utility and services expenses under the lease agreements were \$174,735 for the year ended September 30, 2023. The organization determines whether a contract is a lease at the inception. Identified leases are subsequently measured, classified, and recognized at lease commencement. The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Right of use assets and lease liabilities for operating leases are included in "Operating leases – right of use assets" and Operating lease liabilities", respectively, in the accompanying financial statements. Lease assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease.

The Organization recorded \$136,982 of right of use assets in exchange for new operating lease liabilities during the year ended September 30, 2023. The Organization elected the short-term lease exemption policy as well as the practical expedient that allows lessees to treat the lease and non-lease components as a single lease component. Operating lease right of use assets and associated lease liabilities are recognized based on the present value of future minimum lease payments to be made over the expected lease terms, using the risk-free rate at the commencement date in determining the present value of future payments.

Operating lease terms are presented in the following table:

	9/30/23
Operating lease expense	\$ 174,735
Remaining lease term	12 month
ROU asset	\$ 136,982

Future maturities of lease liability at September 30, 2023:

9/1/2023 to 8/31/2024	\$136,982
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In addition to the office lease, the Organization leases off-site server space and pays licensing and other related fees on monthly basis. Per leases exemption policy election made it treats this lease as a short-term lease and records the expenditure as expenses.

# Free Software Foundation, Inc

## Notes to Financial Statements

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### 5. Liquidity and Availability

The Organization follows a policy to manage its liquidity and reserves by following three principal guidelines, which include operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term goals will be met. The following reflects the Organization's financial assets as of September 30, 2023.

	9/30/23
Cash and cash equivalents	\$ 518,062
Certificates of deposit	961,410
Accounts receivable	1,250
Investments	317,976
	<hr/>
	\$ 1,798,698
Less assets with donor restrictions	(612,944)
Financial assets available for one year of general expenditures	<hr/>
	\$ 1,185,754

### 6. Retirement Savings Plan

The Organization offers all employees the opportunity to participate in its 403(b) retirement Plan. The Plan allows employees to defer a maximum of 10% of their annual compensation on the pre-tax basis for retirement. Under terms of the Plan, the Organization contributes a maximum of 3% of an eligible employee's contribution. The Organization contributed \$525 to employee accounts during the year ended September 30, 2023.

### 7. Investments and fair value measurements

The Organization follows the authoritative guidance for fair value measurements relating to financial and nonfinancial assets and liabilities, including presentation of required disclosures in its financial statements. This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance also establishes a fair value hierarchy, which requires maximizing the use of observable inputs when measuring fair value. The three levels of inputs that may be used are:

*Level 1* – Observable inputs such as quoted prices in active markets.

*Level 2* – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly. The Organization did not hold or acquire any assets or liabilities requiring Level 2 valuation inputs of September 30, 2023.

*Level 3* – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. The inputs into the determination of fair value of these investments are based upon the best information in the circumstances, including the use of models, and may require significant management judgment. The Organization did not hold or acquire any assets or liabilities requiring Level 3 valuation inputs of September 30, 2023.

The fair value measurement level within the 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. The methodologies used to determine fair value measurements are consistent with those used in the prior fiscal year. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value measurements.

The following table presents the fair value hierarchy for those financial assets measured at fair value on a recurring basis as of September 30, 2023:

# Free Software Foundation, Inc

## Notes to Financial Statements

### 7. Investments and fair value measurements (continued)

	Level 1	Level 2	Level 3	Total
Mutual bond funds	\$ 80,970	-	-	\$ 80,970
Commodity funds	212,153	-	-	212,153
Cryptocurrency	-	-	24,853	24,853
Total market value	\$ 293,123	\$ -	\$ 24,853	\$ 317,976

Investment performance during the year ended September 30, 2023 consists of:

	9/30/23
Interest & dividend income	\$ 36,165
Realized & unrealized gain	22,217
Total gain on investments	\$ 58,382

### 8. Investment Risk

The Organization has some exposure to investment risks, including interest rate, market and credit risks, for both marketable securities and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect amounts reported in the financial statements.

### 9. Recent Pronouncements

On October 1, 2022 the Organization has adopted *ASU 2016-02, Leases*. The standard required all leases with lease term over twelve months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The effects of adopting this guidance resulted in the recording of the present value of operating lease payments in the balance sheet as "Operating leases – right of use assets" of a related "Operating lease liabilities" upon adoption. The Organization elected the package of practical expedients to not reassess (1) whether any expired or existing contract are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases.

On October 1, 2022 the Organization has early adopted ASC 326 which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in ASC 326 were accounts receivable. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures.

### 10. Subsequent Events

The Organization has evaluated events subsequent to its year-ended September 30, 2023 and through the date of this report. Management has determined that no subsequent events requiring disclosure have occurred as of February xx, 2025, which is the date financial statements were available to be issued.