**Python Software Foundation**
**(a Not-for-Profit Corporation)**
**Financial Statements**
**December 31, 2021**

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**Financial Statements**
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Independent Auditor's Report

To the Board of Directors of
Python Software Foundation (a Not-for-Profit Corporation)

**Opinion**

We have audited the accompanying financial statements of Python Software Foundation (a Not-for-Profit Corporation) which comprise the Statement of Financial Position as of December 31, 2021, and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Python Software Foundation (a Not-for-Profit Corporation) as of December 31, 2021, 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 Python Software Foundation (a Not-for-Profit Corporation) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Python Software Foundation (a Not-for-Profit Corporation)'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:
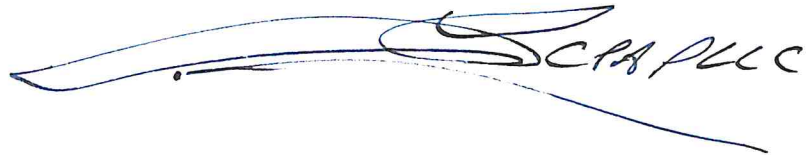
- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Python Software Foundation (a Not-for-Profit Corporation)'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Python Software Foundation (a Not-for-Profit Corporation)'s ability to continue as a going concern for a reasonable period of time.

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

**Report on Summarized Comparative Information**

We have previously audited Python Software Foundation (a Not-for-Profit Corporation)'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

November 21, 2022

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CPA PLLC

**Python Software Foundation**
**(a Not-for-Profit Corporation)**
**Statement of Financial Position**
**December 31, 2021**
**(With Summarized Financial Information for 2020)**

|  | 2021 | 2020 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash | $ 4,688,710 | $ 3,572,752 |
| Due from paypal | 18,391 | 48,455 |
| Prepaid expenses | 113,145 | 96,093 |
| Accounts receivable | 82,418 | 417,098 |
| Total Current Assets | 4,902,664 | 4,134,398 |
| | | |
| Total Assets | $ 4,902,664 | $ 4,134,398 |
| | | |
| **Liabilities and Net Assets** | | |
| **Liabilities** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 145,054 | $ 79,735 |
| Deferred revenue | 316,393 | 132,527 |
| Advance on conditional contribution - Payroll Protection Plan | - | 139,500 |
| Total Current Liabilities | 461,447 | 351,762 |
| | | |
| Long term liabilities | | |
| Deferred revenue - non current | 30,000 | - |
| Total Long-term Liabilities | 30,000 | - |
| | | |
| **Net Assets** | | |
| Without donor restrictions | 3,502,225 | 3,068,190 |
| With donor restrictions | 908,992 | 714,446 |
| Total Net Assets | 4,411,217 | 3,782,636 |
| | | |
| Total Liabilities and Net Assets | $ 4,902,664 | $ 4,134,398 |

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

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**Python Software Foundation**
**(a Not-for-Profit Corporation)**
**Statement of Activities**
**For the Year Ended December 31, 2021**
**(With Summarized Financial Information for 2020)**

| | Without Donor Restrictions | With Donor Restrictions | Total 2021 | 2020 |
|---|---|---|---|---|
| **Support and Revenue** | | | | |
| Contributions | $ 562,696 | $ 212,265 | $ 774,961 | $ 991,616 |
| General sponsorship income | 265,667 | 258,651 | 524,318 | 852,481 |
| Contributions - use of services | - | 241,020 | 241,020 | 114,403 |
| Conference registration fees | 295,007 | 11,762 | 306,769 | 51,794 |
| Conference sponsorship income | 669,286 | - | 669,286 | 190,221 |
| Advertising income | - | - | - | 34,497 |
| Membership dues | 32,967 | - | 32,967 | 32,076 |
| Royalties | 106 | - | 106 | 171 |
| Realized gain (loss) on currency conversion | - | - | - | 25 |
| Interest Income | 5,215 | - | 5,215 | 23,460 |
| | 1,830,944 | 723,698 | 2,554,642 | 2,290,744 |
| Net assets released from restrictions: | | | | |
| Satisfaction of program restrictions | 529,152 | (529,152) | - | - |
| **Total Support and Revenue** | 2,360,096 | 194,546 | 2,554,642 | 2,290,744 |
| **Expenses** | | | | |
| Program services | 1,194,560 | - | 1,194,560 | 1,300,743 |
| Supporting services: | | | | |
| General and administrative | 514,346 | - | 514,346 | 425,502 |
| Fund-raising | 217,155 | - | 217,155 | 179,260 |
| Total supporting services | 731,501 | - | 731,501 | 604,762 |
| **Total Expenses** | 1,926,061 | - | 1,926,061 | 1,905,505 |
| Change in Net Assets | 434,035 | 194,546 | 628,581 | 385,239 |
| Beginning Net Assets | 3,068,190 | 714,446 | 3,782,636 | 3,397,397 |
| **Ending Net Assets** | $ 3,502,225 | $ 908,992 | $ 4,411,217 | $ 3,782,636 |

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

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| | Program Services | | General and Administrative | | Fund-raising | | Total 2021 | | Total 2020 |
|---|---|---|---|---|---|---|---|---|---|
| Salaries and wages | $ | 279,981 | $ | 307,954 | $ | 117,762 | $ | 705,697 | $ | 605,077 |
| Payroll taxes | | 20,833 | | 23,404 | | 8,684 | | 52,921 | | 47,195 |
| Technology expenses | | 248,970 | | 2,529 | | 18,791 | | 270,290 | | 192,242 |
| Professional fees | | 122,655 | | 69,446 | | 26,327 | | 218,428 | | 92,254 |
| Website development | | 199,618 | | - | | - | | 199,618 | | 386,175 |
| Grants | | 130,334 | | - | | - | | 130,334 | | 153,371 |
| Employee benefits | | 30,065 | | 68,544 | | 9,204 | | 107,813 | | 90,401 |
| Office supplies and other | | 38,544 | | 11,929 | | 9,651 | | 60,124 | | 39,706 |
| Legal fees | | 58,088 | | (110) | | 240 | | 58,218 | | 96,777 |
| Venue rental | | 39,936 | | - | | - | | 39,936 | | 37,845 |
| Bank charges and other fees | | 10,805 | | 6,408 | | 7,520 | | 24,733 | | 57,087 |
| Travel, meals and lodging | | 2,445 | | 18,530 | | - | | 20,975 | | 9,418 |
| Bad debt expenses | | 400 | | - | | 11,625 | | 12,025 | | 17,301 |
| Audio / video | | 10,428 | | - | | - | | 10,428 | | 17,902 |
| Advertising | | 805 | | - | | 7,477 | | 8,282 | | 4,288 |
| Insurance | | 623 | | 3,702 | | 262 | | 4,587 | | 3,122 |
| Sundry taxes and government assessments | | - | | 2,010 | | (1,125) | | 885 | | 9,352 |
| Interest expense | | - | | - | | 737 | | 737 | | - |
| Registration service fees | | 30 | | - | | - | | 30 | | 17,243 |
| Catering | | - | | - | | - | | - | | 28,749 |
| Total Expenses | | 1,194,560 | | 514,346 | | 217,155 | | 1,926,061 | | 1,905,505 |

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

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| **Cash Flows from Operating Activities** | | **2021** | | **2020** |
|---|---|---|---|---|
| Change in Net Assets | $ | 628,581 | $ | 385,239 |
| Adjustments to reconcile changes in net assets | | | | |
| to net cash provided by (used in) operating activities: | | | | |
| (Increase) decrease in operating assets: | | | | |
| Due from PayPal | | 30,064 | | (15,454) |
| Prepaid expenses | | (17,052) | | 73,164 |
| Accounts receivable | | 334,680 | | 12,361 |
| Increase (decrease) in operating liabilities: | | | | |
| Accounts payable and accrued expenses | | 65,319 | | (21,926) |
| Grants Payable | | - | | (1,388) |
| Deferred revenue | | 213,866 | | (1,077,310) |
| Advance on conditional contribution - | | | | |
| Payroll Protection Plan | | (139,500) | | 139,500 |
| Net cash provided by operating activities | | 1,115,958 | | (505,814) |
| | | | | |
| Net Increase (Decrease) in Cash | | 1,115,958 | | (505,814) |
| | | | | |
| Beginning Cash | | 3,572,752 | | 4,078,566 |
| | | | | |
| Ending Cash | $ | 4,688,710 | $ | 3,572,752 |

**Supplemental Disclosure**

| | | | | |
|---|---|---|---|---|
| Cash paid for interest | $ | 737 | $ | - |

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

Nature of Activities

Python Software Foundation (a Not-for-Profit Corporation) (the Organization) holds the intellectual property rights behind the Python programming language. The mission of the Organization is to promote, protect, and advance the Python programming language, and to support and facilitate the growth of a diverse and international community of python programmers.

The Organization was incorporated in the State of Delaware in February 2001.

Basis of Accounting

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

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Financial Statement Presentation

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

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

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

Use of Estimates

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

Cash

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

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

Cash Equivalents

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

Functional Allocation of Expenses

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

Revenue Recognition

*Contribution Revenue*

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

*Revenue from Contracts with Customers*

PyCon US, hosted by the Organization, is organized by and for the Python community and is dedicated to providing an inclusive experience. PyCon US is a conference dedicated to promoting the Python language. Registration fees and advertising comprise the related revenue.

The Organization also provides fiscal sponsorship for Python-focused user groups and projects based in the United States. These groups hold regular education and networking meetings and/or present regional Python conferences. A percentage of the fiscal sponsors' contributions are retained by the Organization.

Membership revenue represents donations to the Organization. There is no element of membership fees that are exchange transactions.

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

Fair Value Measurements and Disclosures

Carrying values of financial instruments, including cash and cash equivalents, prepaid expenses, and accrued expenses, approximated their fair values due to the short term nature of these financial instruments. There were no changes in methods or assumptions during the year ending December 31, 2021.

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

Accounts Receivable

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

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. For the year ended December 31, 2021 the allowance for doubtful accounts was $0.

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

Advertising Costs

The Organization expenses advertising costs as incurred. For the year ended December 31, 2021, advertising expense was $8,282.

Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 21, 2022, the date the financial statements were available to be issued.

COVID-19

In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. The organization has continued its activities during this time. Management continues to monitor the potential impact of the outbreak on its operation, but believes it has sufficient resources to maintain operations and activities during this time.

### Note 2 - Unearned Income

Unearned income represents income for the year ending December 31, 2022 and 2023 that was received during the year ended December 31, 2021.

## Note 3 – Net Assets With Donor Restrictions

Donor restricted net assets by revenue source and changes therein for the year ended December 31, 2021, were as follows:

| | Beginning Balance December 31, 2020 | Additions | Releases from Restrictions | Ending Balance December 31, 2021 |
|---|---|---|---|---|
| **Net assets with donor restrictions as to purpose for the following projects:** | | | | |
| Boston Python | $ 2,703 | $ 60 | $ 398 | $ 2,365 |
| Jazzband | - | 570 | 73 | 497 |
| Pallets | 57,245 | 41,976 | 23,020 | 76,201 |
| Philly PUG | 221 | - | - | 221 |
| PuPPY | 2,154 | - | - | 2,154 |
| PyArkansas | 2,341 | - | - | 2,341 |
| PyBeach | 2,035 | - | - | 2,035 |
| PyCarolinas | 1,044 | - | - | 1,044 |
| PyCascades | 53,660 | 27,482 | 38,565 | 42,577 |
| PyHawaii | 1,493 | - | - | 1,493 |
| PyMNTOS | 3,321 | 310 | 91 | 3,540 |
| Python San Diego | 622 | - | - | 622 |
| PyPA | - | 8,581 | 858 | 7,723 |
| PyLadies-Global | 61,432 | 28,232 | 11,309 | 78,355 |
| Py Ladies-Chicago | 1,723 | 220 | 9 | 1,934 |
| PyLadies-New York City | - | 3,000 | - | 3,000 |
| Bloomberg Grant | - | 125,000 | 52,084 | 72,916 |
| Chan Zuckerberg (CZI) Grant | 174,192 | - | 34,192 | 140,000 |
| Facebook Grant | 41,679 | - | 438 | 41,241 |
| Google Grant | 258,171 | - | 94,819 | 163,352 |
| MOSS Grant | 20,164 | - | - | 20,164 |
| Development | - | 62,690 | 38,144 | 24,546 |
| Infrastructure | - | 232,099 | 232,099 | - |
| Packaging Working Group | 30,246 | 193,478 | 3,053 | 220,671 |
| | $ 714,446 | $ 723,698 | $ 529,152 | $ 908,992 |

## Note 4 – Advance on Conditional Contribution – Payroll Protection Plan

During the year ended December 31, 2020 the Organization received a loan under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act in the amount of $139,500. The loan was forgivable if used for qualified expenses as described in the CARES Act. The Organization elected to account for the loan as a conditional grant.

During the year ended December 31, 2021 the Organization was granted forgiveness of the loan and accounted for the forgiveness as contribution revenue.

During the year ended December 31, 2021 the Organization received an additional loan under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act in the amount of $130,099. It was forgiven, as well, and accounted for as contribution revenue.

## Note 5 – Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to the timing of program and fundraising activities. Monthly cash outflows vary each year based on the specific requirements of the program activities. To manage liquidity the Organization budgets cash flow and conducts fundraising activities that are timed to fulfill anticipated funding requirements. Management estimates that the financial assets available to meet operating cash needs for general expenditures represents 12 months of operations.

The following reflects the Organization's financial assets as of the balance sheet date:

| | |
|---|---|
| Cash | $ 4,688,710 |
| Due from PayPal | 18,391 |
| Accounts receivable | 82,418 |
| Total financial assets | 4,789,519 |
| Less: net assets with donor restrictions | ( 908,992) |
| Financial assets available to meet cash needs for general expenditures within one year | $ 3,880,527 |

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**Python Software Foundation**
**(a Not-for-Profit Corporation)**
**Supplemental Schedule of Program Expenses**
**For the Year Ended December 31, 2021**
**(With Summarized Financial Information for 2020)**

Program Services

| | PyCon US | Packaging Work Group | CPython/ Development | Fiscal Sponsorees | Grants | Infrastructure and Other | Total 2021 | Total 2020 |
|---|---|---|---|---|---|---|---|---|
| Salaries and wages | $ 173,554 | $ - | $ - | $ 8,189 | $ 29,962 | $ 68,276 | $ 279,981 | $ 204,574 |
| Payroll taxes | 13,017 | - | - | 561 | 2,097 | 5,158 | 20,833 | 15,952 |
| Technology expenses | 35 | - | - | 5,127 | - | 243,808 | 248,970 | 191,474 |
| Professional fees | 122,553 | - | - | - | - | 102 | 122,655 | 53,738 |
| Website development | 4,884 | 55,092 | 116,634 | 23,008 | - | - | 199,618 | 378,805 |
| Grants | 1,952 | - | 58,498 | - | 69,884 | - | 130,334 | 153,371 |
| Employee benefits | 21,011 | - | - | 824 | 3,670 | 4,560 | 30,065 | 32,631 |
| Office supplies and other | 14,977 | - | 795 | 21,131 | 301 | 1,340 | 38,544 | 20,637 |
| Legal fees | - | - | - | - | - | 58,088 | 58,088 | 88,636 |
| Venue rental | 38,750 | - | - | 1,186 | - | - | 39,936 | 37,845 |
| Bank charges and other fees | 8,116 | 482 | 44 | 1,571 | 543 | 49 | 10,805 | 41,341 |
| Travel, meals and lodging | (1,078) | - | - | 3,523 | - | - | 2,445 | 7,647 |
| Bad debt expense | 400 | - | - | - | - | - | 400 | 9,200 |
| Audio / video | - | - | - | 10,428 | - | - | 10,428 | 17,902 |
| Advertising | - | - | - | 805 | - | - | 805 | 223 |
| Registration service fees | 7 | - | - | 23 | - | - | 30 | 17,243 |
| Insurance | 386 | - | - | 18 | 67 | 152 | 623 | 775 |
| Catering | - | - | - | - | - | - | - | 28,749 |
| Total Program Expenses | $ 398,564 | $ 55,574 | $ 175,971 | $ 76,394 | $ 106,524 | $ 381,533 | $ 1,194,560 | $ 1,300,743 |

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

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