



Report of Independent Auditors
and Consolidated Financial Statements
with Supplemental Information

NDN Collective, Inc. and Subsidiaries

December 31, 2023 and 2022

Table of Contents

	Page
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9
Supplemental Information	
Consolidating Statements of Financial Position	25
Consolidating Statements of Activities	27
Consolidating Statements of Cash Flows	29

Report of Independent Auditors

The Board of Directors
NDN Collective, Inc. and Subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of NDN Collective, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of NDN Collective, Inc. and Subsidiaries as of December 31, 2023, and the results of their operations and their 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 (GAAS). 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 NDN Collective, Inc. and Subsidiaries 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.

Emphasis of Matter – 2022 Financial Statements

The consolidated financial statements of NDN Collective, Inc. and Subsidiaries for the year ended December 31, 2022, were audited by other auditors, whose report dated December 4, 2023, expressed an unmodified opinion on those consolidated financial statements.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NDN Collective, Inc. and Subsidiaries' 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 NDN Collective, Inc. and Subsidiaries' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and 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.



Albuquerque, New Mexico
August 19, 2024

Consolidated Financial Statements

NDN Collective, Inc. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	\$ 56,268,017	\$ 90,134,508
Restricted cash	700,000	-
Total cash	56,968,017	90,134,508
Accounts receivable (Note 2)	466,418	291,228
Grants receivable, current (Notes 2 and 3)	6,042,000	4,839,832
Loans receivable, current (Notes 2 and 4)	1,866,694	546,815
Interest receivable	186,572	148,742
Prepaid expenses and other assets	237,880	53,693
Total current assets	65,767,581	96,014,818
PROPERTY AND EQUIPMENT (Note 1)		
Land	4,747,829	3,726,019
Buildings	3,204,757	2,465,404
Leasehold improvements	234,552	206,798
Equipment	453,138	327,828
Vehicles	943,026	806,721
Furniture and fixtures	143,833	55,263
Construction in progress	5,378,269	2,976,536
	15,105,404	10,564,569
LESS ACCUMULATED DEPRECIATION	(771,170)	(374,137)
Total property and equipment	14,334,234	10,190,432
Grants receivable, net of current portion (Notes 2 and 3)	4,174,832	5,147,000
Loans receivable, net of current portion (Notes 2 and 5)	3,653,640	3,277,961
Intangible assets (Note 2)	14,028,223	14,028,223
Investment in partnership (Note 2)	30,000	30,000
	21,886,695	22,483,184
TOTAL ASSETS	\$ 101,988,510	\$ 128,688,434
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 5,123,974	\$ 1,979,749
Grants payable	10,022,450	10,849,397
Notes payable, current portion (Note 8)	1,298,722	235,735
Total current liabilities	16,445,146	13,064,881
LONG-TERM LIABILITIES		
Notes payable, net of current maturities (Note 8)	12,215,566	13,208,007
Total liabilities	28,660,712	26,272,888
NET ASSETS (Note 2)		
Without donor restrictions	18,342,392	40,765,280
With donor restrictions (Note 7)	54,985,406	61,650,266
Total net assets	73,327,798	102,415,546
TOTAL LIABILITIES AND NET ASSETS	\$ 101,988,510	\$ 128,688,434

See accompanying notes.

NDN Collective, Inc. and Subsidiaries
Consolidated Statements of Activities
December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND LOSSES						
Grants	\$ 4,029,516	\$ 14,417,454	\$ 18,446,970	\$ 3,084,935	\$ 65,003,962	\$ 68,088,897
Contributions	1,972,644	183,607	2,156,251	2,596,406	-	2,596,406
Net investment loss	-	-	-	(94,493)	-	(94,493)
Sales, net	36,017	-	36,017	70,795	-	70,795
Rental income	31,032	-	31,032	40,000	-	40,000
Interest income	1,379,806	-	1,379,806	-	-	-
Other income	119,344	-	119,344	154,229	-	154,229
Net assets released from restrictions	21,265,921	(21,265,921)	-	16,682,755	(16,682,755)	-
Total revenue, support, and losses	28,834,280	(6,664,860)	22,169,420	22,534,627	48,321,207	70,855,834
EXPENSES						
Program services	40,966,983	-	40,966,983	32,322,230	-	32,322,230
Supporting services						
Management and general	8,786,854	-	8,786,854	4,875,601	-	4,875,601
Fundraising	1,503,331	-	1,503,331	830,310	-	830,310
Total expenses	51,257,168	-	51,257,168	38,028,141	-	38,028,141
CHANGE IN NET ASSETS	(22,422,888)	(6,664,860)	(29,087,748)	(15,493,514)	48,321,207	32,827,693
NET ASSETS, beginning of year	40,765,280	61,650,266	102,415,546	56,258,794	13,329,059	69,587,853
NET ASSETS, end of year	\$ 18,342,392	\$ 54,985,406	\$ 73,327,798	\$ 40,765,280	\$ 61,650,266	\$ 102,415,546

See accompanying notes.

NDN Collective, Inc. and Subsidiaries
Consolidated Statement of Functional Expenses
December 31, 2023

	Program	Management and General	Fundraising	Total
Grant expense	\$ 28,596,835	\$ -	\$ -	\$ 28,596,835
Salaries	4,654,647	2,250,377	659,132	7,564,156
Professional fees	2,247,963	2,703,980	413,662	5,365,605
Fringe benefits	1,688,471	822,789	241,635	2,752,895
Travel	1,232,381	487,115	52,225	1,771,721
Program supplies	1,094,382	-	-	1,094,382
Computers and software	82,988	405,137	12,289	500,414
Meals and events	256,339	177,639	15,561	449,539
Depreciation	-	398,371	-	398,371
Office expenses	94,805	256,448	6,578	357,831
Interest expense	122,206	223,281	-	345,487
Marketing and outreach	103,081	211,224	24,173	338,478
Equipment expense	220,640	88,595	1,122	310,357
Gift and honorariums	77,191	90,648	38,253	206,092
Sponsorships	195,619	-	-	195,619
Telephone	15,487	154,788	54	170,329
Meetings	29,506	106,018	4,232	139,756
Vehicle expense	42,762	87,055	105	129,922
Board fees	-	90,000	-	90,000
Business insurance	-	80,587	-	80,587
Training	19,531	49,676	3,622	72,829
Real estate taxes	61,475	-	-	61,475
Miscellaneous	20,531	24,721	15,020	60,272
Leases	63,513	4,200	-	67,713
Utilities	24,654	20,167	-	44,821
Business taxes	15,425	27,701	-	43,126
Repairs and maintenance	6,551	26,337	-	32,888
Fundraising	-	-	15,668	15,668
Total expenses	<u>\$ 40,966,983</u>	<u>\$ 8,786,854</u>	<u>\$ 1,503,331</u>	<u>\$ 51,257,168</u>

See accompanying notes.

NDN Collective, Inc. and Subsidiaries
Consolidated Statement of Functional Expenses
December 31, 2022

	Program	Management and General	Fundraising	Total
Grant expense	\$ 18,850,455	\$ -	\$ -	\$ 18,850,455
Salaries	2,759,554	1,608,392	486,838	4,854,784
Professional fees	2,866,824	990,478	90,320	3,947,622
Program expense	3,527,931	-	-	3,527,931
Fringe benefits	999,201	581,144	174,814	1,755,159
Stipends	1,575,600	-	-	1,575,600
Travel	622,557	250,754	-	873,311
Interest expense	179,375	164,957	-	344,332
Office expenses	61,877	236,862	-	298,739
Marketing and outreach	34,991	231,596	5,156	271,743
Depreciation	186,569	58,893	19,631	265,093
Computers and software	31,638	217,060	3,000	251,698
Meals and events	89,244	137,250	-	226,494
Sponsorships	104,396	2,500	-	106,896
Gift and honorariums	104,485	-	-	104,485
Telephone	58,605	29,039	10,247	97,891
Board fees	-	90,000	-	90,000
Leases	50,231	25,243	11,460	86,934
Vehicle expense	23,006	56,080	-	79,086
Training	32,510	28,876	725	62,111
Meetings	46,127	11,704	-	57,831
Business insurance	35,709	13,670	4,158	53,537
Repairs and maintenance	-	49,183	-	49,183
Equipment expense	20,381	20,047	-	40,428
Charitable contributions	35,000	-	-	35,000
Utilities	24,611	7,361	1,983	33,955
Real estate taxes	-	28,030	-	28,030
Fundraising	-	-	21,978	21,978
Business taxes	385	21,005	-	21,390
Miscellaneous	968	15,477	-	16,445
Total expenses	<u>\$ 32,322,230</u>	<u>\$ 4,875,601</u>	<u>\$ 830,310</u>	<u>\$ 38,028,141</u>

See accompanying notes.

NDN Collective, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Cash received from revenue and support	\$ 19,205,987	\$ 63,256,094
Cash paid to employees and suppliers	(47,388,656)	(29,103,375)
Interest income received	1,455,917	123,535
Interest paid	(266,318)	(49,456)
Net cash from operating activities	<u>(26,993,070)</u>	<u>34,226,798</u>
Cash flows from investing activities		
Purchase of property and equipment	(4,950,455)	(2,828,169)
Proceeds from sales of property and equipment	402,046	24,000
Proceeds from sale of investments	-	2,108,845
Issuance of loans receivable	(1,800,000)	(2,215,000)
Payments on loans receivable	104,442	17,849
Net cash from investing activities	<u>(6,243,967)</u>	<u>(2,892,475)</u>
Cash flows from financing activities		
Proceeds from notes payable	250,000	2,025,000
Payments on notes payable	(179,454)	(111,808)
Net cash from financing activities	<u>70,546</u>	<u>1,913,192</u>
Net change in cash and cash equivalents	(33,166,491)	33,247,515
Cash and cash equivalents and restricted cash, beginning of year	<u>90,134,508</u>	<u>56,886,993</u>
Cash and cash equivalents and restricted cash, end of year	<u><u>\$ 56,968,017</u></u>	<u><u>\$ 90,134,508</u></u>
Reconciliation of increase in net assets to net cash provided by operating activities		
Increase in net assets	<u>\$ (29,087,748)</u>	<u>\$ 32,827,693</u>
Adjustments to reconcile increase in net assets to net from operating activities		
Depreciation	398,371	265,093
Loss on sale of property and equipment	6,235	3,071
Reduction in the carrying amount of right-of-use assets	105,999	112,449
Realized and unrealized loss on investments	-	95,000
Donated investments	-	(2,203,845)
(Increase) decrease in assets		
Accounts receivable	(682,231)	(285,383)
Grants receivable	(230,000)	(972,779)
Interest receivable	(37,830)	(108,818)
Prepaid expenses and other current assets	(209,417)	(20,662)
Intangible assets	-	23,479
Increase (decrease) in liabilities		
Accounts payable	3,676,497	1,536,267
Grants payable	(826,947)	3,067,682
Deferred revenue	(105,999)	(112,449)
Total adjustments to change in net assets	<u>2,094,678</u>	<u>1,399,105</u>
Net cash from operating activities	<u><u>\$ (26,993,070)</u></u>	<u><u>\$ 34,226,798</u></u>

See accompanying notes.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1 – Organization

NDN Collective, Inc. (the Organization) is a separate not-for-profit organization that was incorporated in 2018 to build the collective power of Indigenous peoples to exercise the right to self-determination, while fostering a world that is built on a foundation of justice and equity for all people and the planet. The Organization created an endowment fund during 2023 and began investments in 2024.

NDN Fund, Inc. (subsidiary) is a separate not-for-profit organization that was incorporated in 2018 as an emerging national Native Community Development Financial Institution. NDN Fund, Inc. is the lending arm of the NDN Collective, Inc., providing financing for pre-development, bridge, and large-scale Indigenous regenerative development projects that dramatically scale up investment and shift all decision-making power to Indigenous peoples.

NDN Action Network, Inc. (subsidiary) is a separate not-for-profit organization that was incorporated in 2018 that operates to promote social welfare for the purpose of developing and advocating for legislation, regulations, and government programs to improve the environment, protect natural resources, and stimulate the economy in Indigenous communities and for Indigenous peoples and for conducting research and publicizing the positions of elected officials concerning these issues.

NDN Partners, Inc. (subsidiary) is a for-profit extension of the Organization that was established in 2018 to increase the capacity and skills of Indigenous led organizations, communities, people, tribes, and movements to be able to successfully utilize systems thinking and design thinking to defend, develop, and decolonize our people and planet. In April 2022, NDN Partners, Inc. was dissolved as a separate entity and absorbed as a program under NDN Collective, Inc.

NDN Action, Inc. (subsidiary) is a separate not-for-profit organization that was incorporated in 2018 for the purpose of organizing, advocating, and building Indigenous-led campaigns and movements. In April 2022, NDN Action Network, Inc. was dissolved as a separate entity and absorbed as a program under NDN Collective, Inc.

NDN Foundation Inc. (subsidiary) is a separate not-for-profit organization that was incorporated in 2018 for the purpose of increasing philanthropic investments into Indigenous-led organizations. In April 2022, NDN Foundation, Inc. was dissolved as a separate entity and absorbed as a program under NDN Collective.

NDN Holdings, LLC (subsidiary) is a for-profit extension of the Organization that was established in 2020 for the purpose of maintaining real estate holdings and assets for the benefit of the Organization.

Note 2 – Summary of Accounting Policies

Use of estimates in preparing consolidated financial statements – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Basis of accounting – The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Principles of consolidation – The accompanying consolidated financial statements include the accounts of the Organization and Subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and cash equivalents – For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Restricted cash – Certain financing arrangements require the Organization to maintain cash as part of debt compliance.

Receivables – Receivables are reported at the amount management expects to collect on balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

Loans receivable – Loans receivable are stated at the amount management expects to collect on the balances outstanding at year end. Based on management's assessment of the credit history of the debtors having outstanding balances and the current relationships with them, the Organization considers all loans receivable to be fully collectible.

Property and equipment and depreciation – Property and equipment are carried at cost, if purchased, and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. Property and equipment is depreciated over estimated useful lives from 5 to 39 years. It is the Organization's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Depreciation expense was \$398,371 and \$265,093 of the years ended December 31, 2023 and 2022, respectively.

Long-lived assets and impairment – Long-lived assets to be held and used are recorded at cost. Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amounts of such assets may not be recoverable. Recoverability of these assets is determined by comparing the cost to the forecasted, undiscounted net cash flows of operations. No impairment losses on long-lived assets were recognized during the years ended December 31, 2023 and 2022.

Intangible assets – Intangible assets with indefinite useful lives are not amortized, but tested for impairment at least annually at fiscal year-end or more frequently if events and circumstances exist that indicate that an impairment test should be performed. The intangible assets of the Organization consist of water rights, which are expected to generate cash flows indefinitely.

Investment in partnership – The Organization is a general partner with 5% ownership in a limited partnership, which is dedicated to building sustainable solutions to poverty and injustice. The Organization is generally entitled to an annual payout of cash surplus earned at the beginning of the subsequent year. The Organization records investments at cost net of investment income or loss.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Investments – Investments in marketable securities, including equity and debt securities, with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Fair value measurements – Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The Organization utilizes a framework to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset.

Net asset classification – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without donor restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

With donor restrictions – Net assets subject to donor- or 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-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the consolidated statements of activities as net assets released from restrictions.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Contributions restricted by donors received in the same period when the associated stipulated time or purpose restriction is accomplished are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

Grants payable – Grants payable and related expenses are recognized in the period in which all due diligence has been completed, and the grants are approved by the Organization's Governing Board. Grants payable in more than one year are discounted, if significant, to their present value at the time the grant is awarded.

Functional expenses – The costs of program and supporting services have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Whenever possible, these costs are directly charged to the appropriate program activity or supporting service that benefited from the incurred expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries, benefits, payroll taxes, professional services, office expenses, leases, and other, which are allocated on the basis of estimates of time and effort.

Revenue recognition – The following is a description of the Organization's principal sources of revenue:

Grants – Grants are recorded as revenue when the related approved expenditures are made. Unearned grant revenue represents advances of grant funds received prior to the incurrence of related costs by the Organization. At December 31, 2023 and 2022, the Organization has conditional grants totaling \$500,000 and \$500,000, respectively, for which no amounts had been received in advanced, and they have not yet been recognized in the accompanying consolidated financial statements. The conditional grants are subject to launching the NDN Collective Changemakers Fellowship, Building Indigenous Power projects, and the completion of the Initiative Project.

Contributions – Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. 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 substantially met. The Organization has not received any conditional contributions.

Contributions of nonfinancial assets – Contributions of nonfinancial assets are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Organization.

Sales, net – Store sales are recognized at the time of sales, net of sales return and online store fees.

Rental income – NDN Holdings, LLC has an agreement with NDN Collective, Inc. which commenced on January 1, 2022, for 60 months. The Organization has a right-of-use asset and lease liability of \$151,200 in rental expense and income that has been eliminated. The remaining balance is related to the interest related to the lease liability.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Leases – The Organization determines if an arrangement is a lease at inception. The Organization elected the package of practical expedients permitted under the transition guidance, which allowed the Organization to carry forward historical lease classifications for existing leases on the adoption date and allowed the Organization not to assess whether an existing contract contains a lease or initial direct costs. In addition, the Organization also elected not to apply the lease recognition requirements to its short-term leases; that is, leases with a term of 12 months or less, as allowed under the standard. The Organization did not elect the hindsight practical expedient to determine the lease term for existing leases.

The following describes the Organization's accounting policies related to its leasing arrangements:

As lessee – Leased assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. The Organization recognizes a right-of-use asset and related liability at the commencement date, generally based on the present value of lease payments over the lease term using the risk-free rate. Leases with an initial term of 12 months or less, including month-to-month leases, are not recorded on the statement of financial position and are expensed on a straight-line basis.

Operating leases – Operating lease assets and liabilities are recognized separately on the Organization's statement of financial position. The Organization recognizes a single lease expense on a straight-line basis over the lease term. Lease and nonlease components are accounted for together as a single lease component for operating leases.

Advertising and marketing costs – The Organization expenses advertising and marketing costs when incurred. The accompanying consolidated financial statements include advertising and marketing expenses of \$338,477 and \$779,295 for the years ended December 31, 2023 and 2022, respectively.

Income taxes – NDN Collective, Inc., NDN Fund, Inc., NDN Action, Inc., and NDN Foundation, Inc. are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. NDN Action Network Inc. is exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code. As such, income earned in the performance of its except purpose is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates.

NDN Partners, Inc. accounts for income taxes using the "balance sheet method" of accounting for income taxes. Accordingly, deferred assets and liabilities are determined based on the difference between the financial statement and income tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

NDN Holdings, LLC is a single-member limited liability company that has elected to be treated as a disregarded entity and is therefore consolidated in the NDN Collective organization return.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

Reclassification – Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported total change in net assets.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Adoption of new accounting standard – As of January 1, 2023, the Organization adopted guidance from FASB ASU 2016-13, *Measuring Credit Losses on Financial Instruments* (Topic 326). The guidance requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. The Organization has evaluated that the impact of adopting this guidance on the Organization's consolidated financial statements is immaterial.

Subsequent events – Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before consolidated financial statements are issued or are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position, but arose after the consolidated statement of financial position date and before the consolidated financial statements are available to be issued.

The Organization has evaluated subsequent events through August 19, 2024, which is the date the consolidated financial statements were available to be issued.

Note 3 – Grants Receivable

Grants receivable are expected to be collected in the following periods ending December 31:

	2023	2022
Less than one year	\$ 6,042,000	\$ 4,839,832
One to two years	1,959,832	4,484,000
Two to three years	845,000	613,000
Three to four years	795,000	50,000
Four to five years	575,000	-
	<u>\$ 10,216,832</u>	<u>\$ 9,986,832</u>

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 4 – Loans Receivable

Loans receivable consist of:

	2023	2022
(a) Onward LLC	\$ 29,932	\$ 40,617
(b) Indian Township Ent.	1,577,625	1,577,625
(c) Navajo Power	250,000	250,000
(d) Rosebud Construction	405,303	491,534
(e) Miss Anne's Enterprises	42,474	50,000
(f) Tzicatl CDC	1,115,000	1,115,000
(g) Giyah Boat Company	300,000	300,000
(h) Tocabe	1,800,000	-
	<u>5,520,334</u>	<u>3,824,776</u>
Less current maturities	<u>(1,866,694)</u>	<u>(546,815)</u>
	<u><u>\$ 3,653,640</u></u>	<u><u>\$ 3,277,961</u></u>

Loans receivable are expected to be collected in the following periods:

2024	\$ 1,866,694
2025	933,878
2026	866,045
2027	832,337
2028	599,701
Thereafter	<u>421,679</u>
	<u><u>\$ 5,520,334</u></u>

(a) On May 27, 2021, NDN Fund Inc. issued a loan receivable for \$50,000. The loan calls for interest of 4.5% and requires six monthly interest only payments commencing on June 27, 2021, followed by 54 principal and interest payments. The final principal and interest payment is due on May 27, 2026. The loan is unsecured.

(b) On July 1, 2021, NDN Fund Inc. issued a loan receivable for \$1,577,625. The loan calls for interest of 5% payable in 60 equal payments commencing on July 5, 2023. The final principal and interest payment is due on July 1, 2028. The loan is unsecured.

(c) On March 25, 2022, NDN Fund Inc. issued a loan receivable for \$250,000. The loan calls for interest of 3%, principal and interest payments are deferred for 35 months, with full repayment of loan and interest at due February 25, 2025. The loan is secured by borrower's assets.

(d) On May 10, 2022, NDN Fund Inc. issued a loan receivable for \$500,000. The loan calls for interest of 4% and requires six monthly interest only payments followed by 54 principal and interest payments. The final principal and interest payment is due on June 10, 2027. The loan is secured by the borrower's real estate.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(e) On August 26, 2022, NDN Fund Inc. issued a loan receivable for \$50,000. The loan calls for interest of 5% and requires six monthly interest only payments followed by 54 principal and interest payments. The final principal and interest payment is due on August 26, 2027. The loan is unsecured.

(f) On August 19, 2022, NDN Fund Inc. issued a loan receivable for \$1,115,000. The loan calls for interest of 5%, with principal and interest payments deferred for 12 months, followed by 12 monthly principal and interest payments. The final principal and interest payment is due on July 19, 2024 and is in the process of being renewed. The loan is secured by the borrower's real estate.

(g) On December 21, 2022, NDN Fund Inc. issued a loan receivable for \$300,000. The loan calls for interest of 3% and is due in one annual principal and interest payment on December 21, 2024. The loan is unsecured.

(h) On January 12, 2023, NDN Fund Inc. issued a loan receivable for \$1,800,000. The loan calls for interest of 4% with principal and interest payments deferred for 24 months, followed by 60 monthly principal and interest payments. The final principal and interest payment is due on December 15, 2029. The loan is unsecured.

Note 5 – Fair Value Measurements

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended December 31, 2023 and 2022:

Water rights – The valuation report has the Land Price Differential Approach.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The method uses the difference in the property's value with and without access to water to estimate the contribution that water availability provides to the overall sales price. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of December 31, 2023 and 2022.

	Fair Value	Quoted Prices in Active Market for identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Intangible assets				
Water rights	\$ 14,028,223	\$ -	\$ -	\$ 14,028,223

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6 – Liquidity and Availability

The following table reflects the Organization's financial assets as of December 31, 2023 and 2022, that are available to meet general expenditures within one year of the statement of financial position date. Financial assets have been reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of net assets with donor restrictions.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 56,268,017	\$ 90,134,508
Accounts receivable	466,418	291,228
Grants receivable	6,042,000	4,839,832
Loans receivable	1,866,694	546,815
Interest receivable	186,572	148,742
Prepaid expenses	<u>237,880</u>	<u>53,693</u>
 Total financial assets	 65,067,581	 96,014,818
 Less net assets with donor restrictions included above	 <u>(42,848,945)</u>	 <u>(57,836,008)</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u><u>\$ 22,218,636</u></u>	 <u><u>\$ 38,178,810</u></u>

As part of the liquidity management plan, cash in excess of daily requirements is transferred to a savings account.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 7 – Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose		
NDN Fund	\$ 300,000	\$ 600,000
NDN Collective Changemakers Fellowship	111,798	-
Projects	-	725
Fiscal Sponsorship	149,924	160,347
Campaigns	-	9,340
COVID-19 Response Project	4,133	2,343
Loan Loss Reserve	200,000	200,000
Program Investment	100,000	100,000
Great Plains	-	12,500
Collective Abundance	40,114,252	50,000,000
Collective Hub Buildout Michigan	-	158,852
Climate Justice	350,000	304,327
Strengthening Indigenous People	3,702,971	-
Subject to passage of time		
Accounts receivable	-	115,000
Grants receivable	9,952,328	9,986,832
	<u>\$ 54,985,406</u>	<u>\$ 61,650,266</u>

Collective Abundance – The NDN Collective Abundance Fund provides wealth-building grants to Indigenous people who reside within the tri-state region of Minnesota, North Dakota, and South Dakota. The program supports the re-building of generational wealth while beginning to address the wealth gap among Indigenous individuals and families.

Strengthening Indigenous Peoples (Community Self-Determination) – Community Self-Determination Grants are intended to support, strengthen and invest in the long-term visions, sustainability, and building of collective power of Indigenous Tribal Nations, Pueblos, tribal communities, grassroots movements and Indigenous-led organizations. We intentionally prioritize grassroots, community-based efforts and solutions. Climate and Indigenous justice are at the heart of the intent behind the Community Self-Determination Grant.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the years ended December 31:

	2023	2022
Satisfaction of purpose restrictions		
NDN Fund	\$ 1,050,000	\$ 1,363,750
NDN Collective Changemaker Fellowship	1,163,202	523,475
Journalism Fellowship	-	12,000
Projects	725	212,295
Eagle Staff	10,000	-
Education Equity	20,000	-
Fiscal Sponsorship	10,423	123,065
Free Leonard Peltier	73,350	-
Campaigns	384,600	360,246
COVID-19 Response Project	363	756,316
He Sapa Retreat Center	500,000	-
Radical Imagination Artist Project	-	13,757
Regional Deep Dive	250,000	-
Dakota Access Pipeline	-	2,502
Legal	2,484	-
Grantmaking	-	258,918
Economic Development New Mexico	-	1,961,947
Great Plains	12,500	-
Collective Abundance	9,885,748	341,148
Collective Hub Buildout Michigan	158,852	-
Climate Justice	797,144	594,214
Strengthening Indigenous People	1,777,029	-
Satisfaction of time restrictions	5,169,501	10,159,122
	<u>\$ 21,265,921</u>	<u>\$ 16,682,755</u>

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8 – Long-Term Obligations

Long-term obligations consist of:

	2023	2022
(a) Note payable, SK2 Fund, Inc.	\$ 50,000	\$ 50,000
(b) Note payable, Bush Foundation	500,000	500,000
(c) Note payable, Native American Bank	1,062,377	1,122,596
(d) Note payable, Oweesta Corporation	416,667	500,000
(e) Note payable, Olamina Fund LLC	1,000,000	1,000,000
(f) Note payable, Olamina Fund LLC	1,000,000	1,000,000
(g) Note payable, Olamina Fund LLC	250,000	1,000,000
(h) Note payable, Impact Assets Inc.	2,000,000	2,000,000
(i) Note payable, Impact Assets Inc.	250,000	-
(j) Note payable, J. Schorsch	1,000,000	50,000
(k) Note payable, Catena Foundation	50,000	250,000
(l) Note payable, Asset Preservation, Inc.	2,346,146	2,346,146
(m) Note payable, 45 North Partners	225,000	225,000
(n) Note payable, Margaret A. Cargil	1,800,000	1,800,000
(o) Note payable, Tower Investments	1,564,098	1,600,000
	<u>13,514,288</u>	<u>13,443,742</u>
Less current maturities	<u>(1,298,722)</u>	<u>(235,735)</u>
	<u><u>\$ 12,215,566</u></u>	<u><u>\$ 13,208,007</u></u>

(a) Note payable, SK2 Fund, Inc., dated June 30, 2020. NDN Fund Inc.'s note payable in the original amount of \$50,000 is payable in one lump-sum payment on June 30, 2025, including accrued interest of 1%. The note is unsecured.

(b) Note payable, Bush Foundation, dated September 28, 2020. NDN Fund Inc.'s note payable in the original amount of \$500,000 is payable in one lump-sum payment on February 1, 2028, including interest of 1%. The note is subject to covenants and is unsecured.

(c) Note payable, Native American Bank, dated November 13, 2020. NDN Holdings LLC's note payable for construction on the building in the original amount of \$1,185,000. Monthly interest payments at 4.25% began on December 13, 2020. Principal and interest payments of \$8,951 began on December 13, 2021, for 59 monthly payments. The remaining principal and interest is due on November 13, 2026. The note is subject to covenants and is secured by rents received and the building.

(d) Note payable, Oweesta Corporation, dated December 18, 2020. NDN Fund Inc.'s note payable in the original amount of \$500,000 is payable in twenty quarterly payments, including interest of 2%. The first seven quarterly payments of interest only began January 30, 2021. Principal payments of \$20,833 plus accrued interest will begin January 30, 2023, with the final lump-sum payment of \$250,000 due December 18, 2025. The note is subject to covenants and is unsecured.

(e) Note payable, Olamina Fund LLC, dated January 31, 2021. NDN Fund Inc.'s note payable in the original amount of \$1,000,000 is payable in one lump-sum payment on September 30, 2024. Accrued interest payments of 2% are due quarterly beginning March 31, 2021. The note is subject to covenants and is unsecured.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(f) Note payable, Olamina Fund LLC, dated January 31, 2021. NDN Fund Inc.'s note payable in the original amount of \$1,000,000 is payable in one lump-sum payment on September 30, 2026. Accrued interest payments of 3.5% are due quarterly beginning March 31, 2021. The note is subject to covenants and is unsecured.

(g) Note payable, Olamina Fund LLC, dated January 31, 2021. NDN Fund Inc.'s note payable in the original amount of \$1,000,000 is payable in one lump-sum payment on September 30, 2026. Accrued interest payments of 2% are due quarterly beginning March 31, 2021. The note is subject to covenants and is unsecured.

(h) Note payable, Impact Assets Inc., dated February 1, 2021. NDN Fund Inc.'s note payable in the original amount of \$2,000,000 is payable in one lump-sum payment on February 1, 2031. Accrued interest payments of 1% are due monthly beginning on March 1, 2023. The note is unsecured.

(i) Note payable, Impact Assets Inc., dated December 22, 2023. NDN Fund Inc.'s note payable in the original amount of \$250,000 and an interest rate of 0% is payable in one lump-sum payment on December 22, 2027. The note is unsecured.

(j) Note payable, J. Schorsch, dated July 9, 2021. NDN Fund Inc.'s note payable in the original amount of \$50,000 is payable in one lump-sum payment including interest of 1% on July 9, 2025. The note is unsecured.

(k) Note payable, Catena Foundation, dated October 7, 2021. NDN Fund Inc.'s note payable in the amount of \$250,000 is payable in one lump-sum payment including interest of 1% on October 7, 2026. The note is subject to covenants and is unsecured.

(l) Note payable, Asset Preservation, Inc., dated December 14, 2021. NDN Collective's note payable in the original amount of \$2,400,000 including interest of 4.5%. The note is payable in 25 annual payments of \$161,854, and a lump-sum payment of \$2,056,706 is due on maturity, December 20, 2029. The note is secured by the deed of trust and assignment of leases and rent.

(m) Note payable, 45 North Partners., dated January 20, 2022. NDN Fund Inc.'s note payable in the original amount of \$225,000 including interest of 2%. The note is due in full on maturity, January 19, 2027. The note is subject to covenants and is unsecured.

(n) Note payable, Margaret A. Cargill Foundation, dated December 6, 2022. NDN Fund Inc.'s note payable in the original amount of \$1,800,000 including interest of 1%. The note is due in full on maturity, December 6, 2029. The note is subject to covenants and is unsecured.

(o) Note payable, Tower Investments, dated February 11, 2022. NDN Holdings' note payable in the original amount of \$1,600,000 including interest of 4.5%. The note payable in annual installments of \$107,902, and a lump-sum payment of \$1,371,137 is due on maturity, February 15, 2030. The note is secured by the deed of trust and assignment of leases and rent.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Aggregate maturities on long-term obligations for the years following December 31, 2023, are as follows:

Years Ending December 31,

2024	\$ 1,298,722
2025	599,623
2026	3,289,158
2027	1,084,926
2028	114,872
Thereafter	<u>7,126,987</u>
	<u><u>\$ 13,514,288</u></u>

Note 9 – Retirement Plan

The Organization has a 401(k) plan covering eligible employees. The plan provides for discretionary matching contributions in an amount equal to up to 6% of the eligible employee's wages. The Organization contributed \$344,364 and \$231,431 for the years ended December 31, 2023 and 2022, respectively.

Note 10 – Concentrations

Financial instruments which potentially subject the Organization to credit risk consist principally of checking and savings accounts at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2023 and 2022, the bank accounts exceeded federally insured limits by \$55,399,667 and \$88,033,268, respectively. The Organization has not experienced any losses on such accounts.

Note 11 – Related Party

The Organization and Subsidiaries are under a common paymaster agreement dated September 15, 2020. Under this agreement all individuals employed as employees of the Organization, and employees of the Subsidiaries are employees of the Organization.

The Organization has a related-party lease; however, the lease is eliminated during consolidation.

Note 12 – Commitments and Contingencies

The Organization is subject to litigation in the normal and ordinary course of business, which, in the opinion of management and based upon advice of counsel, would not have a material effect on the Organization or its consolidated financial position or operations.

NDN Collective, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Construction commitments – The Organization has entered into construction contracts to plan, design, and build the He Sapa Retreat Center and Oceti Sakowin Community Academy locations. At December 31, 2023, the Organization is committed to funding future construction contracts in the amount of \$460,848 and \$1,514,972 for the He Sapa Retreat Center and Oceti Sakowin Community Academy, respectively.

Note 13 – Subsequent Events

Subsequent to year end, the Organization entered into a note payable agreement with the Robert Wood Johnson Foundation for \$5 million. The note payable does not begin accruing interest until April 2032 at which point it will accrue at 1.00% annually. The note payable matures on April 22, 2034.

Subsequent to year end, the Organization originated two new loans receivable in the amounts of \$500,000 and \$1,600,000 to Native Botanicals, LLC and Hochoka Kin Holdings LLC, respectively. The loan to Native Botanicals, LLC accrues interest at 4.50% and matures in February 2029. It is secured by all assets of the borrower. The loan to Hochoka Kin Holdings, LLC accrues interest at 4.50% and matures in April 2031. It is secured by real estate.

Supplemental Information

NDN Collective, Inc. and Subsidiaries
Consolidating Statements of Financial Position
December 31, 2023

	ASSETS					
	NDN Collective, Inc.	NDN Fund, Inc.	NDN Action Network, Inc.	NDN Holdings, LLC	Eliminations	Consolidated
CURRENT ASSETS						
Cash and cash equivalents	\$ 49,422,991	\$ 4,515,491	\$ 87,626	\$ 2,241,909	\$ -	\$ 56,268,017
Restricted cash and cash equivalents	-	700,000	-	-	-	700,000
Accounts receivable, net	770,309	606,711	63,976	940,567	(1,915,145)	466,418
Grants receivable, current	6,042,000	-	-	-	-	6,042,000
Loans receivable, current	-	1,866,694	-	-	-	1,866,694
Interest receivable	-	186,572	-	-	-	186,572
Prepaid expenses and other assets	144,064	131,046	-	-	(37,230)	237,880
Total current assets	56,379,364	8,006,514	151,602	3,182,476	(1,952,375)	65,767,581
PROPERTY AND EQUIPMENT						
Land	-	-	-	4,747,829	-	4,747,829
Buildings	140,000	-	-	3,064,757	-	3,204,757
Leasehold improvements	234,552	-	-	-	-	234,552
Equipment	453,138	-	-	-	-	453,138
Vehicles	915,188	-	-	27,838	-	943,026
Furniture and fixtures	143,833	-	-	-	-	143,833
Construction in progress	39,142	-	-	5,339,127	-	5,378,269
	1,925,853	-	-	13,179,551	-	15,105,404
Less accumulated depreciation	(583,669)	-	-	(187,501)	-	(771,170)
Total property and equipment	1,342,184	-	-	12,992,050	-	14,334,234
Grants receivable, net of current portion	4,174,832	-	-	-	-	4,174,832
Loans receivable, net of current portion	-	3,653,640	-	-	-	3,653,640
Operating lease right-of-use assets	1,876,674	-	-	-	(1,876,674)	-
Intangible assets	14,028,223	-	-	-	-	14,028,223
Investment in partnership	30,000	-	-	-	-	30,000
Investment in NDN Holdings, LLC	11,619,373	-	-	-	(11,619,373)	-
	31,729,102	3,653,640	-	-	(13,496,047)	21,886,695
TOTAL ASSETS	\$ 89,450,650	\$ 11,660,154	\$ 151,602	\$ 16,174,526	\$ (15,448,422)	\$ 101,988,510
	LIABILITIES, NET ASSETS, AND MEMBER'S EQUITY					
CURRENT LIABILITIES						
Accounts payable	\$ 3,930,541	\$ 1,203,892	\$ 639	\$ 1,928,678	\$ (1,939,776)	\$ 5,123,974
Grants payable	10,022,450	-	-	-	-	10,022,450
Operating lease obligations, current	60,341	-	-	-	(60,341)	-
Notes payable, current portion	115,087	1,083,333	-	100,302	-	1,298,722
Total current liabilities	14,128,419	2,287,225	639	2,028,980	(2,000,117)	16,445,146
LONG-TERM LIABILITIES						
Operating lease obligations, net of current maturities	1,935,441	-	-	-	(1,935,441)	-
Notes payable, net of current maturities	2,231,059	7,458,334	-	2,526,173	-	12,215,566
Total liabilities	18,294,919	9,745,559	639	4,555,153	(3,935,558)	28,660,712
NET ASSETS						
Without donor restrictions	16,470,325	1,614,595	150,963	-	106,509	18,342,392
With donor restrictions	54,685,406	300,000	-	-	-	54,985,406
Total net assets	71,155,731	1,914,595	150,963	-	106,509	73,327,798
MEMBER'S EQUITY	-	-	-	11,619,373	(11,619,373)	-
TOTAL LIABILITIES, NET ASSETS, AND MEMBER'S EQUITY	\$ 89,450,650	\$ 11,660,154	\$ 151,602	\$ 16,174,526	\$ (15,448,422)	\$ 101,988,510

See accompanying notes.

NDN Collective, Inc. and Subsidiaries

Consolidating Statements of Financial Position

December 31, 2022

	ASSETS								
	NDN Collective, Inc.	NDN Fund, Inc.	NDN Action Network, Inc.	NDN Partners, Inc.	NDN Action Inc.	NDN Foundation Inc.	NDN Holdings, LLC	Eliminations	Consolidated
CURRENT ASSETS									
Cash and cash equivalents	\$ 78,738,555	\$ 4,900,600	\$ 146,413	\$ -	\$ -	\$ -	\$ 6,348,940	\$ -	\$ 90,134,508
Accounts receivable, net	291,228	1,201,105	-	-	-	-	206,999	(1,408,104)	291,228
Grants receivable, current	4,839,832	-	-	-	-	-	-	-	4,839,832
Loans receivable, current	-	546,815	-	-	-	-	-	-	546,815
Interest receivable	-	148,742	-	-	-	-	-	-	148,742
Prepaid expenses and other assets	64,093	-	1,600	-	-	-	-	(12,000)	53,693
Total current assets	83,933,708	6,797,262	148,013	-	-	-	6,555,939	(1,420,104)	96,014,818
PROPERTY AND EQUIPMENT									
Equipment	327,828	-	-	-	-	-	-	-	327,828
Vehicles	778,883	-	-	-	-	-	27,838	-	806,721
Furniture and fixtures	55,263	-	-	-	-	-	-	-	55,263
Leasehold improvements	206,798	-	-	-	-	-	-	-	206,798
Buildings	-	-	-	-	-	-	2,465,404	-	2,465,404
Land	-	-	-	-	-	-	3,726,019	-	3,726,019
Construction in progress	14,882	-	-	-	-	-	2,961,654	-	2,976,536
Less accumulated depreciation	1,383,654	-	-	-	-	-	9,180,915	-	10,564,569
	(267,586)	-	-	-	-	-	(106,551)	-	(374,137)
Total property and equipment	1,116,068	-	-	-	-	-	9,074,364	-	10,190,432
Grants receivable, net of current portion	5,147,000	-	-	-	-	-	-	-	5,147,000
Loans receivable, net of current portion	-	3,277,961	-	-	-	-	-	-	3,277,961
Operating lease right-of-use assets	1,982,673	-	-	-	-	-	-	(1,982,673)	-
Intangible assets	14,028,223	-	-	-	-	-	-	-	14,028,223
Investment in partnership	30,000	-	-	-	-	-	-	-	30,000
Investment in NDN Holdings, LLC	12,609,360	-	-	-	-	-	-	(12,609,360)	-
	33,797,256	3,277,961	-	-	-	-	-	(14,592,033)	22,483,184
TOTAL ASSETS	\$ 118,847,032	\$ 10,075,223	\$ 148,013	\$ -	\$ -	\$ -	\$ 15,630,303	\$ (16,012,137)	\$ 128,688,434
	LIABILITIES, NET ASSETS, AND MEMBER'S EQUITY								
CURRENT LIABILITIES									
Accounts payable	\$ 3,006,871	\$ 94,635	\$ -	\$ -	\$ -	\$ -	\$ 298,347	\$ (1,420,104)	\$ 1,979,749
Grants payable	10,849,397	-	-	-	-	-	-	-	10,849,397
Operating lease obligations, current	50,045	-	-	-	-	-	-	(50,045)	-
Notes payable, current portion	56,277	83,333	-	-	-	-	96,125	-	235,735
Total current liabilities	13,962,590	177,968	-	-	-	-	394,472	(1,470,149)	13,064,881
LONG-TERM OBLIGATIONS									
Operating lease obligations, net of current maturities	1,995,782	-	-	-	-	-	-	(1,995,782)	-
Notes payable, net of current maturities	2,289,869	8,291,667	-	-	-	-	2,626,471	-	13,208,007
Total liabilities	18,248,241	8,469,635	-	-	-	-	3,020,943	(3,465,931)	26,272,888
NET ASSETS									
Without donor restrictions	39,548,525	1,007,188	146,413	-	-	-	-	63,154	40,765,280
With donor restrictions	61,050,266	600,000	-	-	-	-	-	-	61,650,266
Total net assets	100,598,791	1,607,188	146,413	-	-	-	-	63,154	102,415,546
MEMBER'S EQUITY	-	-	-	-	-	-	12,609,360	(12,609,360)	-
TOTAL LIABILITIES, NET ASSETS, AND MEMBER'S EQUITY	\$ 118,847,032	\$ 10,076,823	\$ 146,413	\$ -	\$ -	\$ -	\$ 15,630,303	\$ (16,012,137)	\$ 128,688,434

See accompanying notes.

NDN Collective, Inc. and Subsidiaries
Consolidating Statements of Activities
December 31, 2023

	NDN Collective, Inc.	NDN Fund, Inc.	NDN Action Network, Inc.	NDN Holdings, LLC	Eliminations	Consolidated
REVENUE, SUPPORT, AND LOSSES						
Grants	\$ 18,196,970	\$ 1,450,000	\$ -	\$ -	\$ (1,200,000)	\$ 18,446,970
Contributions	2,240,660	10,591	5,000	-	(100,000)	2,156,251
Loss from investment in subsidiaries	(989,988)	-	-	-	989,988	-
Sales, net	36,017	-	-	-	-	36,017
Rental income	-	-	-	182,232	(151,200)	31,032
Interest income	1,116,714	256,502	-	6,590	-	1,379,806
Other income	105,652	10,476	262	2,954	-	119,344
Total revenue, support, and Losses	20,706,025	1,727,569	5,262	191,776	(461,212)	22,169,420
EXPENSES						
Program services	40,176,102	1,147,527	639	942,715	(1,300,000)	40,966,983
Supporting services						
Management and general	8,469,652	272,635	73	239,048	(194,554)	8,786,854
Fundraising	1,503,331	-	-	-	-	1,503,331
Total expenses	50,149,085	1,420,162	712	1,181,763	(1,494,554)	51,257,168
CHANGE IN NET ASSETS	(29,443,060)	307,407	4,550	(989,987)	1,033,342	(29,087,748)
Net assets, beginning of year	100,598,791	1,607,188	146,413	-	63,154	102,415,546
Net income (loss)	(29,443,060)	307,407	4,550	-	43,355	(29,087,748)
Net assets, end of year	\$ 71,155,731	\$ 1,914,595	\$ 150,963	\$ -	\$ 106,509	\$ 73,327,798
Member's equity, beginning of year	\$ -	\$ -	\$ -	\$ 12,609,360	\$ -	\$ 12,609,360
Net loss	-	-	-	(989,987)	989,987	-
Member's contribution	-	-	-	-	-	-
Member's equity, end of year	\$ -	\$ -	\$ -	\$ 11,619,373	\$ 989,987	\$ 12,609,360

See accompanying notes.

NDN Collective, Inc. and Subsidiaries
Consolidating Statements of Activities
December 31, 2022

	NDN Collective, Inc.	NDN Fund, Inc.	NDN Action Network, Inc.	NDN Partners, Inc.	NDN Action Inc.	NDN Foundation Inc.	NDN Holdings, LLC	Eliminations	Consolidated
REVENUE, SUPPORT AND LOSSES									
Grants	\$ 68,088,897	\$ 1,695,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,695,625)	\$ 68,088,897
Contributions	2,716,415	-	2,500	-	-	2,765,799	-	(2,888,308)	2,596,406
Net Investment loss	(95,000)	-	-	-	-	-	507	-	(94,493)
Loss from investment in subsidiaries	(280,256)	-	-	-	-	-	-	280,256	-
Sales, net	70,795	-	-	-	-	-	-	-	70,795
Rental income	-	-	-	-	-	-	199,144	(159,144)	40,000
Other income	5,247	122,897	-	26,002	42	41	-	-	154,229
Total revenue, support, and losses	70,506,098	1,818,522	2,500	26,002	42	2,765,840	199,651	(4,462,821)	70,855,834
EXPENSES									
Program services	36,000,466	487,759	35,000	17,147	100,075	6,542	326,961	(4,651,720)	32,322,230
Supporting services									
Management and general	4,767,082	88,602	15	4,018	-	913	154,783	(139,812)	4,875,601
Fundraising	842,009	-	-	-	-	-	3,000	(14,699)	830,310
Total expenses	41,609,557	576,361	35,015	21,165	100,075	7,455	484,744	(4,806,231)	38,028,141
CHANGE IN NET ASSETS	28,896,541	1,242,161	(32,515)	4,837	(100,033)	2,758,385	(285,093)	343,410	32,827,693
Net assets, beginning of year	71,702,250	365,027	178,928	-	100,033	(2,758,385)	-	-	69,587,853
Net income (loss)	28,896,541	1,242,161	(32,515)	-	(100,033)	2,758,385	-	63,154	32,827,693
Net assets, end of year	\$ 100,598,791	\$ 1,607,188	\$ 146,413	\$ -	\$ -	\$ -	\$ -	\$ 63,154	\$ 102,415,546
Stockholder's equity, beginning of year	\$ -	\$ -	\$ -	\$ 681,482	\$ -	\$ -	\$ -	\$ (681,482)	\$ -
Net income	-	-	-	4,837	-	-	-	(4,837)	-
Stockholder's distribution	-	-	-	(686,319)	-	-	-	686,319	-
Member's equity, beginning of year	-	-	-	-	-	-	8,656,377	(8,656,377)	-
Net loss	-	-	-	-	-	-	(285,093)	285,093	285,093
Member's contribution	-	-	-	-	-	-	4,238,076	(4,238,076)	-
Member's equity, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,609,360	\$ (12,609,360)	\$ 285,093

See accompanying notes.

NDN Collective, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
December 31, 2023

	NDN Collective, Inc.	NDN Fund, Inc.	NDN Action Network, Inc.	NDN Holdings, LLC	Eliminations	Consolidated
Cash flows from operating activities						
Cash received from revenue and support	\$ 18,924,409	\$ 2,079,904	\$ (58,714)	\$ (539,612)	\$ (1,200,000)	\$ 19,205,987
Cash paid to employees and suppliers	(48,919,148)	(318,145)	(73)	648,710	1,200,000	(47,388,656)
Interest income received	1,226,769	229,148	-	-	-	1,455,917
Interest paid	-	(147,125)	-	(119,193)	-	(266,318)
Net cash from operating activities	<u>(28,767,970)</u>	<u>1,843,782</u>	<u>(58,787)</u>	<u>(10,095)</u>	<u>-</u>	<u>(26,993,070)</u>
Cash flows from investing activities						
Purchase of property and equipment	(622,532)	-	-	(4,327,923)	-	(4,950,455)
Proceeds from sales of property and equipment	74,938	-	-	327,108	-	402,046
Issuance of loans receivable	-	(1,800,000)	-	-	-	(1,800,000)
Payments on loans receivable	-	104,442	-	-	-	104,442
Net cash from investing activities	<u>(547,594)</u>	<u>(1,695,558)</u>	<u>-</u>	<u>(4,000,815)</u>	<u>-</u>	<u>(6,243,967)</u>
Cash flows from financing activities						
Proceeds from notes payable	-	250,000	-	-	-	250,000
Payments on notes payable	-	(83,333)	-	(96,121)	-	(179,454)
Net cash from financing activities	<u>-</u>	<u>166,667</u>	<u>-</u>	<u>(96,121)</u>	<u>-</u>	<u>70,546</u>
Net change in cash and cash equivalents and restricted cash	(29,315,564)	314,891	(58,787)	(4,107,031)	-	(33,166,491)
Cash and cash equivalents and restricted cash, beginning of year	78,738,555	4,900,600	146,413	6,348,940	-	90,134,508
Cash and cash equivalents and restricted cash, end of year	<u>\$ 49,422,991</u>	<u>\$ 5,215,491</u>	<u>\$ 87,626</u>	<u>\$ 2,241,909</u>	<u>\$ -</u>	<u>\$ 56,968,017</u>
Reconciliation of change in net assets to net cash from operating activities						
Change in net assets	<u>\$ (29,443,060)</u>	<u>\$ 307,407</u>	<u>\$ 4,550</u>	<u>\$ (989,987)</u>	<u>\$ 1,033,342</u>	<u>\$ (29,087,748)</u>
Adjustments to reconcile change in net assets to net cash from operating activities						
Depreciation	317,422	-	-	80,949	-	398,371
Loss on sale of assets	4,055	-	-	2,180	-	6,235
Reduction in the carrying amount of right-of-use assets	105,999	-	-	-	-	105,999
Loss on investment in subsidiaries	989,988	-	-	-	(989,988)	-
(Increase) decrease in assets						
Accounts receivable	(479,081)	594,394	(63,976)	(733,568)	-	(682,231)
Grants receivable	(230,000)	-	-	-	-	(230,000)
Interest receivable	-	(37,830)	-	-	-	(37,830)
Prepaid expenses and other assets	(79,971)	(129,446)	-	-	-	(209,417)
Intangible assets	-	-	-	-	-	-
Increase (decrease) in liabilities						
Accounts payable	923,670	1,109,257	639	1,630,331	12,600	3,676,497
Grants payable	(826,947)	-	-	-	-	(826,947)
Operating lease obligation	(50,045)	-	-	-	(55,954)	(105,999)
Total adjustments to change in net assets	<u>675,090</u>	<u>1,536,375</u>	<u>(63,337)</u>	<u>979,892</u>	<u>(1,033,342)</u>	<u>2,094,678</u>
Net cash from operating activities	<u>\$ (28,767,970)</u>	<u>\$ 1,843,782</u>	<u>\$ (58,787)</u>	<u>\$ (10,095)</u>	<u>\$ -</u>	<u>\$ (26,993,070)</u>
Supplemental disclosure of cash flow information						
Cash paid for interest	<u>\$ -</u>	<u>\$ 147,125</u>	<u>\$ -</u>	<u>\$ 119,193</u>	<u>\$ -</u>	<u>\$ 266,318</u>

See accompanying notes.

NDN Collective, Inc. and Subsidiaries

Consolidating Statements of Cash Flows

December 31, 2022

	NDN Collective, Inc.	NDN Fund, Inc.	NDN Action Network, Inc.	NDN Partners, Inc.	NDN Action Inc.	NDN Foundation Inc.	NDN Holdings, LLC	Eliminations	Consolidated
Cash flows from operating activities									
Cash received from revenue and support	\$ 67,426,731	\$ 385,702	\$ 2,500	\$ 30,237	\$ 1	\$ -	\$ 154,000	\$ (4,743,077)	\$ 63,256,094
Cash paid to employees and suppliers	(32,669,537)	(514,458)	(35,015)	(27,690)	(100,075)	(265,356)	(234,321)	4,743,077	(29,103,375)
Interest income received	49	122,897	-	-	41	41	507	-	123,535
Interest paid	-	-	-	-	-	-	(49,456)	-	(49,456)
Net cash from operating activities	34,757,243	(5,859)	(32,515)	2,547	(100,033)	(265,315)	(129,270)	-	34,226,798
Cash flows from investing activities									
Purchase of property and equipment	(692,305)	-	-	-	-	-	(2,135,864)	-	(2,828,169)
Proceeds from sales of property and equipment	24,000	-	-	-	-	-	-	-	24,000
Proceeds from sale of investments	2,108,845	-	-	-	-	-	-	-	2,108,845
Issuance of loans receivable	-	(2,215,000)	-	-	-	-	-	-	(2,215,000)
Payments on loans receivable	-	17,849	-	-	-	-	-	-	17,849
Purchases of other investments	(3,551,757)	-	-	-	-	-	-	3,551,757	-
Net cash from investing activities	(2,111,217)	(2,197,151)	-	-	-	-	(2,135,864)	3,551,757	(2,892,475)
Cash flows from financing activities									
Proceeds from member's contribution	-	-	-	-	-	-	4,238,076	(4,238,076)	-
Stockholder distribution	-	-	-	(686,319)	-	-	-	686,319	-
Proceeds from notes payable	-	2,025,000	-	-	-	-	-	-	2,025,000
Payments on notes payable	(53,854)	-	-	-	-	-	(57,954)	-	(111,808)
Net cash from financing activities	(53,854)	2,025,000	-	(686,319)	-	-	4,180,122	(3,551,757)	1,913,192
Net change in cash and cash equivalents	32,592,172	(178,010)	(32,515)	(683,772)	(100,033)	(265,315)	1,914,988	-	33,247,515
Cash and cash equivalents, beginning of year	46,146,383	5,078,610	1	78,928	683,772	100,033	265,315	4,433,952	56,886,993
Cash and cash equivalents, end of year	\$ 78,738,555	\$ 4,900,600	\$ 146,413	\$ -	\$ -	\$ -	\$ 6,348,940	\$ -	\$ 90,134,508
Reconciliation of change in net assets to net cash from operating activities									
Change in net assets	\$ 28,896,541	\$ 1,242,161	\$ (32,515)	\$ 4,837	\$ (100,033)	\$ 2,758,385	\$ (285,093)	\$ 343,410	\$ 32,827,693
Adjustments to reconcile change in net assets to net cash from operating activities									
Depreciation	196,310	-	-	-	-	-	68,783	-	265,093
Loss on sale of property and equipment	3,071	-	-	-	-	-	-	-	3,071
Reduction in the carrying amount of right-of-use assets	112,449	-	-	-	-	-	-	-	112,449
Realized and unrealized loss on operating investments	95,000	-	-	-	-	-	-	-	95,000
Loss on investment in subsidiaries	280,256	-	-	-	-	-	-	(280,256)	-
Donated investments, net of sales	(2,203,845)	-	-	-	-	-	-	-	(2,203,845)
(Increase) decrease in assets									
Accounts receivable	(289,619)	(1,201,105)	-	4,235	-	-	(206,998)	1,408,104	(285,383)
Grants receivable	(972,779)	-	-	-	-	-	-	-	(972,779)
Interest receivable	-	(108,818)	-	-	-	-	-	-	(108,818)
Prepaid expenses and other assets	(32,662)	-	-	-	-	-	-	12,000	(20,662)
Intangible assets	23,479	-	-	-	-	-	-	-	23,479
Increase (decrease) in liabilities									
Accounts payable	2,708,155	61,903	-	(6,525)	-	(101,200)	294,038	(1,420,104)	1,536,267
Grants payable	5,990,182	-	-	-	-	(2,922,500)	-	-	3,067,682
Operating lease obligation	(49,295)	-	-	-	-	-	-	(63,154)	(112,449)
Total adjustments to change in net assets	5,860,702	(1,248,020)	-	(2,290)	-	(3,023,700)	155,823	(343,410)	1,399,105
Net cash from operating activities	\$ 34,757,243	\$ (5,859)	\$ (32,515)	\$ 2,547	\$ (100,033)	(265,315)	\$ (129,270)	\$ -	\$ 34,226,798
Supplemental disclosure of cash flow information									
Loan obtained for purchase of property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000	\$ -	\$ 1,600,000
Right-of-use assets obtained in exchange for lease obligations upon ASC 842 implementation	\$ 2,095,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,095,122)	\$ -

See accompanying notes.

