



Advancing storage &
information technology

2020 Annual Report

SNIA's mission is to lead the storage industry in developing and promoting vendor-neutral architectures, standards and educational services that facilitate the efficient management, movement and security of information.

www.snia.org

LETTER FROM SNIA CHAIRMAN, TREASURER, AND EXECUTIVE DIRECTOR

August 23, 2021

Dear SNIA Members, Industry Colleagues, and Staff,

We are pleased to update you on the Storage Networking Industry Association (SNIA) and to present our 2020 Annual Report with information on the financial performance and position of SNIA for Fiscal Year 2020, beginning on December 1, 2019 through November 30, 2020. The statements and notes that follow represent the compilation and audit by SNIA's Accounting Firm of MHTB Accountancy Group of Silicon Valley in San Jose, California.

2020 represented a year of considerable change for the enterprise storage market. The market for on-premises enterprise storage systems continued to decline, while storage services from the large hyperscalers again grew strongly in market share. The technology transition from disk to flash continued at an accelerated pace, with NVMe® solutions growing in the mainstream. The architectural discontinuity driven by the availability of persistent memory devices got closer to reality.

SNIA's year-end financial results reflect a 28% increase in Net Assets. The COVID-19 global pandemic had a large effect on our revenues and expenses for the year primarily due to pandemic-driven changes in our business model related to events and travel. Revenues decreased by 15.5% and Expenses decreased by 16.5%. (Refer to page 5 to see the details regarding our Net Assets position, and Pages 6 and 7 for Revenue and Expense detail.)

In addition to the global pandemic, mergers and acquisitions in the storage industry impacted our membership, however strong and relevant programs that drive industry participation in our technical initiatives brought in new participants, resulting in a modest decline in membership revenue of 9.6% for the year. With consistent revenue streams, and our reserve accounts stable at more than \$2.35 million, we are again confident that SNIA has the financial and organizational resources to continue to fulfill our important mission.

SNIA highlights for 2020 include:

- New technology initiatives continued to attract the participation of new members – particularly in the areas of Computational Storage and SFF Form Factors.
- New SNIA-developed standards published included:
 - Cloud Data Management Interface (CDMI™) v2.0.0
 - Key Value Storage API Specification v1.1
 - Native NVMe-oF™ Drive Specification v1.0.1
 - SNIA Emerald™ Power Efficiency Measurement Specification v4.0
 - TLS Specification for Storage Systems v1.1 (ISO Standard)
 - SNIA Swordfish™ Scalable Storage Management API Specification v1.2
 - Linear Tape File System (LTFS) Format Specification v2.5 (ISO Standard)
 - Storage Management Initiative Specification (SMI-S) v1.8r5 (ISO Standard)
- The SNIA Swordfish specification continued to move forward, accompanied by implementation tools, a series of Virtual Mockathons and educational videos. This specification helps to provide a unified approach for the management of storage and servers in hyperscale and cloud infrastructure environments, and is an extension of the DMTF Redfish® Specification.
- SNIA technical events continued their trajectory of success during 2020:
 - Storage Developer Conference (SDC) was conducted as a virtual event in September. Over 120 educational sessions attracted nearly 1,000 registrants from 43 countries. SDC continued to grow as a global brand with a conference in Tel Aviv in February.

LETTER FROM SNIA CHAIRMAN, TREASURER, AND EXECUTIVE DIRECTOR

- The Persistent Memory Summit drew over 300 IT professionals to Santa Clara, CA in January.
- SNIA formed a New Technical Work Group to focus on Blockchain Storage
- SNIA's Solid State Drive Special Interest Group (SIG) announced expanded information on the most common SSD Form Factors
- SNIA's IOTTA TWG announced the deployment of a new mirror site in South Korea
- A series of Persistent Memory Programming Hackathons were conducted at industry events
- SNIA's Educational Library continued to grow to over 2,700 SNIA vendor-neutral content assets, including presentations, white papers, tutorials, webcasts, and technical specifications. The library had over 14,000 page views
- SNIA expanded our inventory of "What is...?" pages, which provide clear, vendor-neutral descriptions of how technologies work. There are 16 topics covered, with over 73,000 page views
- SNIA Launched a creative "Geek Out on Storage" campaign which features educational content on a wide range of storage topics
- SNIA continued to expand its social media presence
- Over 1,100 videos on SNIA's YouTube channel, with 5,000 subscribers and over 152,000 views
- 36 webcasts were produced with over 14,000 views
- 50 "SNIA on Storage" blogs were written with over 27,000 views

As always, we acknowledge and sincerely thank our dedicated members, volunteers, staff, and industry alliances for their ongoing support of SNIA.



Dr. J Metz
Chair, SNIA Board of Directors



Sue Amarin
Treasurer, SNIA Board of Directors



Michael Oros
Executive Director, SNIA

SNIA 2019 - 2020 LEADERSHIP

BOARD OF DIRECTORS*

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NetApp
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Chris Lionetti,
Hewlett Packard Enterprise
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Oracle Corporation
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Kioxia Corporation

Michelle Tidwell,
IBM

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Industry Consultant

Mark Carlson,
Kioxia Corporation
Technical Council Co-Chair

Bill Martin, Samsung
Technical Council Co-Chair

SW Worth, Industry Consultant

TECHNICAL COUNCIL*

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Marvell Technology Group

Arnold Jones,
SNIA

Alex McDonald,
NetApp (SNIA EMEA)

Gregory McSorley,
Amphenol

Yukinori Sakashita,
Yahoo Japan (SNIA Japan)

David Thiel,
Industry Consultant

* Composition and Positions as per October 1, 2019 - Commencing 2020 Terms

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT FOR THE YEARS ENDED NOVEMBER 30, 2020 AND 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Storage Networking Industry Association
Colorado Springs, Colorado

We have audited the accompanying financial statements of Storage Networking Industry Association (a California nonprofit organization), which comprise the statements of financial position as of November 30, 2020 and 2019, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Storage Networking Industry Association as of November 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

MHTB Accountancy Group of Silicon Valley

San Jose, California
April 27, 2021

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION NOVEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 692,633	\$ 277,565
Investments	2,353,196	2,505,772
Accounts Receivable, Net of Allowance	1,046,776	849,192
Prepaid Expenses	25,178	73,060
Property and Equipment - Net	11,231	19,154
 Total Assets	 \$ 4,129,014	 \$ 3,724,743
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 338	\$ 0
Deferred Revenue	1,869,315	1,842,590
Accrued Expenses	299,063	228,213
Member Deposits	0	123,250
Total Liabilities	2,168,716	2,194,053
 Net Assets:		
Without Donor Restrictions		
Designated by Board of Directors -		
For Forums and Initiatives	1,012,943	830,397
For Operating Reserve	1,000,000	1,000,000
Undesignated	(52,645)	(299,707)
Total Without Donor Restrictions	1,960,298	1,530,690
With Donor Restrictions	0	0
Total Net Assets	1,960,298	1,530,690
 Total Liabilities and Net Assets	 \$ 4,129,014	 \$ 3,724,743

The accompanying notes are an integral part of these financial statements

FINANCIAL STATEMENTS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED NOVEMBER 30, 2020 AND 2019

	2020	2019
Changes in Net Assets Without Donor Restrictions		
Support and Revenue:		
Memberships, Forums, and Initiatives	\$ 1,948,067	\$ 2,235,385
Events	73,313	229,076
Other	321,203	167,295
Investment Income/(Loss) - Net	110,424	178,675
Storage Management Initiative CTP	75,000	168,000
Sponsorships	127,694	157,008
Certification Fees	4,656	13,078
Total Revenues and Gains Without Donor Restrictions	2,660,357	3,148,517
Expenses:		
Program Services:		
Storage Management Initiative	400,758	497,562
Conference Department	99,698	275,894
Marketing Department	198,022	234,644
Technology Center	183,542	241,287
Compute, Memory, and Storage Initiative	231,545	236,806
Membership Department	31,859	94,133
Green Storage Initiative	28,815	26,530
Education Department	405	32,104
SFF Committee	47,119	41,193
Cloud Storage Technologies Initiative	36,621	26,336
Network Storage Forum	39,430	32,639
Data Protection Capacity and Optimization Committee	1,032	630
Total Program Services	1,298,846	1,739,758

The accompanying notes are an integral part of these financial statements

FINANCIAL STATEMENTS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED NOVEMBER 30, 2020 AND 2019

	2020	2019
Changes in Net Assets Without Donor Restrictions (Continued)		
Expenses:		
Supporting Services:		
General and Administrative Expenses:		
Salaries and Related Expenses	813,242	787,429
Operations	56,643	61,638
Board of Directors	62,018	82,932
Total Supporting Services	931,903	931,999
Total Expenses	2,230,749	2,671,757
Increase in Net Assets Without Donor Restrictions	429,608	476,760
Increase in Net Assets With Donor Restrictions	0	0
Increase in Net Assets	429,608	476,760
Net Assets - Beginning	1,530,690	1,053,930
Net Assets - Ending	\$ 1,960,298	\$ 1,530,690

The accompanying notes are an integral part of these financial statements

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED NOVEMBER 30, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 429,608	\$ 476,760
Adjustments to Reconcile Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	7,923	31,895
Cash Transfer to Investments	263,000	(545,000)
PPP Loan Forgiveness	(109,640)	0
Interest and Dividend Income Reinvested	(72,495)	(78,197)
Unrealized (Gain) on Investments	(40,815)	(102,005)
Realized Loss on Investments	2,886	1,526
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(197,584)	388,818
Prepaid Expenses	47,882	(21,950)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	338	0
Accrued Expenses and Others	70,850	(105,502)
Deferred Revenue	26,725	(232,472)
Member Deposits	(123,250)	(62,750)
Total Adjustments	(124,180)	(725,637)
Net Cash Provided (Used) by Operating Activities	305,428	(248,877)
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	0	(6,676)
Net Cash Used by Investing Activities	0	(6,676)
Cash Flows from Financing Activities:		
Paycheck Protection Program Loan Payable	109,640	0
Net Cash Flows Provided by Financing Activities	109,640	0
Net Increase (Decrease) in Cash and Cash Equivalents	415,068	(255,553)
Cash and Cash Equivalents at Beginning of Year	277,565	533,118
Cash and Cash Equivalents at End of Year	\$ 692,633	\$ 277,565

Supplemental Disclosures of Cash Flow Information:

No payments were made for taxes or interest during the fiscal years ended November 30, 2020 or 2019

The accompanying notes are an integral part of these financial statements

**NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2020 AND 2019**

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Organization:

Storage Networking Industry Association, a mutual benefit corporation, was incorporated on December 22, 1997 under the corporate laws of the State of California.

Purpose and Operations:

Storage Networking Industry Association (The Organization) is a United States of America based trade association engaged in the promotion, growth, and development of storage networking systems and technologies throughout the world. The Organization provides education, training, and market information to companies in the field of storage networking technologies as well as developing standards, specifications, and infrastructure. The Organization also acts as a referral and information network for such companies.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization maintains its accounting records on a fiscal year commencing on December 1st.

Basis of Presentation:

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

Revenue:

The Organization offers vendor, channel, and service provider memberships. Revenues are derived primarily from annual membership fees, sponsors, special events, contributions, and trade shows. Membership fees are recognized over the period to which the dues relate. New membership fees are recognized over a fiscal year beginning on the date of membership.

The Organization offers vendor and channel members the option of a voting or non-voting membership. Vendor and channel member companies sign up for the membership level based on their annual revenue as follows: large membership - revenue greater than \$500 million per year; medium membership - revenue between \$10 million and \$500 million per year; and small membership - revenue less than \$10 million per year. The yearly membership fee distinguishes the Vendor and Channel voting member companies from the non-voting companies. Additionally, non-voting fee-based memberships are available for individuals, end-users (IT departments of any company), startups ("small" vendors in business less than 4 years) and non-profit organizations such as colleges and universities. None of the membership fees that are collected are used for lobbying activity.

**NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2020 AND 2019**

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization is involved in various industry events. For events in which the Organization is the 100% owner, revenue from attendee fees and sponsorships are recorded at the time of the event. For those events in which the Organization is not the 100% owner, revenues are recorded as the net amount received from the entity producing those events in the month in which the events occur.

Cash and Cash Equivalents:

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

Concentration of Credit Risk:

The Organization, during the course of operations, maintains cash balances in excess of federally insured limits. The account is insured by the Federal Deposit Insurance Corporation up to \$250,000. The uninsured balance at November 30, 2020 and 2019 was \$501,479 and \$130,702 respectively.

Accounts Receivable:

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance for doubtful receivables is based on management's evaluation of the aging of accounts and such other factors that deserve current recognition. Actual results could differ from these estimates. Receivables are charged against their respective allowance accounts when deemed to be uncollectible. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At November 30, 2020 and 2019, the allowance for doubtful accounts was approximately \$38,400.

Investments:

The Organization maintains investment accounts at Wells Fargo Advisors, which is governed by a formal investment policy. Investment accounts are composed primarily of fixed income securities such as money market funds, mutual funds, government and government sponsored entities (GSE) bonds, preferred stock and certificates of deposit and are carried at fair value. The money market funds included in the investment accounts are not considered to be cash equivalents because management intends to invest these funds in investments maturing in more than three months. Unrealized gains and losses are included in the change in net assets.

**NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2020 AND 2019**NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)Depreciable Assets:

The Organization owns various property and equipment which is located at their technology center in Colorado Springs, Colorado. These assets are carried at cost or, if donated and placed in service, at the approximate fair value at the date of donation and depreciated over the estimated useful lives on the straight-line method. Major items and betterments are capitalized; minor items and repairs are expensed as incurred.

Use of Estimates:

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

Fair Value of Financial Instruments:

The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable, deferred revenue, and accrued liabilities, approximates fair value due to the short maturity of these instruments.

Donated Services:

A portion of the Organization's functions and activities is conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying financial statements since the volunteer time does not meet the criteria for recognition under Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) for Contributed Services.

Compensated Absences:

Full-time employees of the Organization begin earning vacation time on their hire date. For qualified employees, vacation time is accrued at 80 hours per year for years one through two of employment, and 120 hours to 200 hours per year after two years of employment. The maximum vacation time an employee can accrue is 120 hours the first two years of service and between 180 hours to 240 hours after two years of service. The Organization's accrued vacation expense at November 30, 2020 and 2019 was \$70,870 and \$68,474, respectively.

**NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2020 AND 2019**NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)Recent Accounting Pronouncements:

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require leases to be recorded as an asset on the balance sheet for the right of use of the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2019, with early adoption permitted. The organization is currently evaluating the impact the pronouncement may have on the financial statements.

NOTE B - INCOME TAXES

The Organization is exempt from Federal Income Tax under Internal Revenue Code Section 501(c)(6) and from California State Tax under Revenue and Taxation Code Section 23701(e). The Organization complies with other Internal Revenue reporting requirements regarding contributions received, payroll transactions, and payments to independent contractors.

Management evaluated all income tax positions taken and expected to be taken in the course of preparing the Organization's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. As of November 30, 2020 and 2019, and for the years then ended, management has determined that the Organization does not have any uncertain tax positions, accrued interest and penalties related to uncertain tax positions, or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. In the event that the Organization concludes that it is subject to interest and/or penalties arising from uncertain tax positions, the Organization will present interest and/or penalties as a component of income taxes.

NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2020 AND 2019

NOTE C - INVESTMENTS

The Organization follows fair value standards that establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of the three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. For the years ended November 30, 2020 and 2019, the Organization's investments were all Level 1 and consisted of the following:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Money funds	\$ 690,836	\$ 690,836	\$ 14,331	\$ 14,331
Stocks, options, & ETFs	858,312	912,918	838,449	851,972
Corporate bonds	395,635	407,057	439,999	454,548
Government & GSE bonds	0	0	47,067	45,314
Foreign bonds	25,008	25,271	25,049	25,392
Certificate of deposit	0	0	796,000	796,114
Preferred stocks	36,077	36,506	51,528	51,958
Mutual funds	282,466	280,608	271,433	266,143
Total Investments	\$ 2,288,334	\$ 2,353,196	\$ 2,483,856	\$ 2,505,772

The following summarizes the investment return and its classification in the statement of activities for the years ended November 30, 2020 and 2019:

	2020	2019
Interest and dividends	\$ 72,495	\$ 78,197
Unrealized gains	40,815	102,005
Realized losses	(2,886)	(1,527)
Total Investment Income	\$ 110,424	\$ 178,675

**NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2020 AND 2019**

NOTE D - DEFERRED REVENUE

The Organization offers annual voting and non-voting memberships to companies and individuals. The membership term typically begins at the start of the Organization's fiscal year (December 1st) and continues for a period of one year. New membership begins upon the invoice date and continues for a period of one year and the Organization will prorate the second year of membership to align invoicing with the Organization's fiscal year. Income from membership dues is recognized over the period to which the dues relate. The portion that covers the period subsequent to the end of the Organization's fiscal year is recorded as deferred revenue on the Statement of Financial Position.

NOTE E - OPERATING LEASES

During August 2013, the Organization entered into a sixty-six month lease agreement with Kasha, LLC subject to an early termination option at the option of Kasha, LLC. This lease is for the technology center which is located in Colorado Springs, Colorado. There is no monthly base rent due the first six months. Starting on the seventh month the monthly base rent will be \$5,057 and will increase on an annual basis for the life of the lease. In compliance with the generally accepted accounting procedures of the United States, the total lease obligation of \$341,325 will be amortized on a straight-line basis over the life of the lease.

On September 3, 2018, the Organization exercised its renewal option and extended the terms of the lease for an additional 32 months, from June 1, 2019 through January 31, 2022, at a monthly base rental rate of \$6,479 plus common area expenses. The renewal includes provisions for increases to the base rent on an annual basis.

At November 30, 2020 the minimum rental payments due under this lease are as follows:

Year ending November 30,		
	2021	\$ 80,591
	2022	<u>13,590</u>
		<u>\$ 94,181</u>

The total rental expense was \$109,891 and \$103,389 for the years ended November 30, 2020 and 2019 respectively.

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2020 AND 2019

NOTE F - PROPERTY AND EQUIPMENT

The Organization capitalizes all expenditures for property and equipment in excess of \$2,500. As stated in Depreciable Property section of Note A, property and equipment is stated at cost less accumulated depreciation and consists of the following at November 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Machinery and equipment - donated	\$ 129,446	\$ 129,446
Machinery and equipment - other	323,679	323,679
Office furniture and equipment	<u>43,197</u>	<u>43,197</u>
Total property and equipment	496,322	496,322
Accumulated depreciation	<u>(485,091)</u>	<u>(477,168)</u>
Total property and equipment, net	<u>\$ 11,231</u>	<u>\$ 19,154</u>

Depreciation expense on the property and equipment was \$7,923 and \$31,895 at November 30, 2020 and 2019, respectively.

NOTE G - CONTRIBUTIONS

The Organization has the SNIA Technology Center Champions Program to encourage and recognize contributions to the technical infrastructure expansion of the Technology Center in Colorado Springs, Colorado. In-kind contributions under this program consist of donated computer systems software and equipment which are recorded as contributions at fair value at the date of donation. Such contributions are reported as revenue and increases in unrestricted net assets in the year received. There were no contributions received for the years ended November 30, 2020 and 2019.

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2020 AND 2019

NOTE H - MEMBERSHIPS, FORUMS, AND INITIATIVES REVENUE

Memberships, forums, and initiatives revenue for the years ended November 30, 2020 and 2019 is comprised as follows:

	2020	2019
Association Memberships	\$ 1,324,381	\$ 1,465,275
Storage Management Initiative	270,000	407,650
SFF Committee	124,057	133,420
Compute, Memory, and Storage Initiative	115,122	124,559
Green Storage Initiative	42,000	42,000
Cloud Storage Technologies Initiative	35,000	32,361
Network Storage Forum	37,249	30,120
Data Protection Capacity and Optimization Committee	258	0
 Total Membership	 \$ 1,948,067	 \$ 2,235,385

NOTE I – SPONSORSHIP REVENUE

Sponsorship revenue for the years ended November 30, 2020 and 2019 consist of the following:

	2020	2019
Storage Developers Conference	\$ 109,444	\$ 126,690
Compute, Memory, and Storage Initiative	18,250	28,500
Leadership	0	1,818
 Total Sponsorship Revenue	 \$ 127,694	 \$ 157,008

**NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2020 AND 2019****NOTE J - PAYCHECK PROTECTION PROGRAM**

The Organization applied for and received a Paycheck Protection Program ("PPP") loan under a federal program designed to support small businesses during the COVID-19 pandemic. The PPP loan program was part of the CARES Act, which was signed into law on March 27, 2020 and is being implemented by the SBA with cooperation from private banks. PPP loans may be fully or partially forgiven by application to the SBA if proceeds are expended based on federal guidelines. Management applied for the PPP loan to fund payroll and other allowable costs while the Organization responded to government restrictions on business operations and anticipated reduced revenues from the economic downturn associated with the pandemic. A loan in the amount of \$109,640 was received and deposited on May 29, 2020. All of the funds were spent in accordance with federal regulations relating to the use of funds during the 24 weeks following the deposit of loan proceeds.

The PPP loan has been accounted for under ASC 958-605 as a Conditional Promise to Give based on guidance from the AICPA. Under this accounting method, revenue is recognized when qualified expenses are paid. The Organization fully utilized all of the PPP loan funds prior to the end of the fiscal year, November 30, 2020. Accordingly \$109,640 was recognized as Other Income when earned.

Subsequent to November 30, 2020, the Organization received forgiveness from the SBA on their PPP loan.

NOTE K - DEFERRED COMPENSATION AND PROFIT SHARING PLAN

The Organization maintains a qualified deferred compensation and profit sharing plan under Section 401(k) of the Internal Revenue Code. The Plan covers substantially all employees meeting certain eligibility requirements. Employees may contribute a percentage of their eligible compensation to the Plan, up to the maximum permitted by the Internal Revenue Code. The Organization made matching contributions of \$22,050 and \$22,308 for the years ended November 30, 2020 and 2019, respectively.

NOTE L - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 27, 2021, which is the date that the financial statements were available to be issued. Other than the event noted below, there were no other material subsequent events that required recognition or disclosure in these financial statements as of November 30, 2020.

Subsequent to November 30, 2020, the Organization applied for and received a second draw loan under the Paycheck Protection Program. The amount of the loan is \$109,640. Management believes all of this loan will qualify for loan forgiveness as the proceeds will be used in accordance with federal regulations relating to the use of funds during the 24 weeks following the deposit of loan proceeds.

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2020 AND 2019

NOTE M - LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 692,633	\$ 277,565
Investments	2,353,196	2,505,772
Accounts Receivable	<u>1,046,776</u>	<u>849,192</u>
Total financial assets available within one year	<u>\$ 4,092,605</u>	<u>\$ 3,632,529</u>

NOTE N - MISCELLANEOUS INCOME

Miscellaneous revenue for the years ended November 30, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
ISV Enabling PM	\$ 200,000	\$ 125,000
Paycheck Protection Program	109,640	0
Tech Center Rental Income	11,563	38,370
Rebate Income	<u>0</u>	<u>3,925</u>
Total Miscellaneous Income	<u>\$ 321,203</u>	<u>\$ 167,295</u>