Team Pennsylvania Foundation

Financial Statements and Supplementary Information

Years Ended June 30, 2016 and 2015 with Independent Auditor's Report

MaherDuessel
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

Pursuing the profession while promoting the public good®
www.md-cpas.com

TEAM PENNSYLVANIA FOUNDATION

YEARS ENDED JUNE 30, 2016 AND 2015

TABLE OF CONTENTS

MaherDuessel
Certified Public Accountants

Pittsburgh
503 Martindale Street
Suite 600
Pittsburgh, PA 15212
Main 412.471.5500
Fax 412.471.5508

Harrisburg
3003 North Front Street
Suite 101
Harrisburg, PA 17110
Main 717.232.1230
Fax 717.232.8230

Butler
112 Hollywood Drive
Suite 204
Butler, PA 16001
Main 724.285.6800
Fax 724.285.6875

Independent Auditor's Report

Board of Directors
Team Pennsylvania Foundation

We have audited the accompanying financial statements of the Team Pennsylvania Foundation (Foundation) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities 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 audits 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 control 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 the Foundation as of June 30, 2016 and 2015, 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.

Other Matter

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program, administration, and fundraising expenses on pages 30 through 32 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Maher Duessel

Harrisburg, Pennsylvania
January 26, 2017

TEAM PENNSYLVANIA FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

Assets	2016	2015
Current assets:		
Cash and cash equivalents (Note 2)	$ 15,469,218	$ 12,809,607
Short-term investments (Note 3)	-	509,996
Grants receivable	21,958	361,227
Other receivable	112,780	-
Prepaid expenses	10,478	2,013
Pledges receivable, current portion (Note 4)	131,500	176,374
Total current assets	15,745,934	13,859,217
Leasehold improvements and equipment, net (Note 5)	81,061	13,288
Other assets:		
Pledges receivable, net of current portion (Note 4)	48,957	64,908
Cash restricted for investment in limited partnership (Note 11)	16,000	16,000
Security deposit	4,978	10,000
Investments designated as endowment (Notes 6 and 7)	5,434,349	5,805,305
Investments in:		
Novitas Capital, L.P. (Notes 7 and 11)	316,189	231,540
Draper Triangle Ventures, L.P. (Notes 7 and 11)	165,384	1,079,957
Penn Venture Partners, L.P. (Notes 7 and 11)	696,157	1,279,363
Total other assets	6,682,014	8,487,073
Total Assets	$ 22,509,009	$ 22,359,578

(Continued)

The accompanying notes are an integral part of these financial statements.

Liabilities and Net Assets	2016	2015
Liabilities:		
Current liabilities:		
Accounts payable	$ 263,477	$ 281,336
Accrued payroll and payroll taxes	33,329	29,985
Deferred revenue	3,530,282	1,112,310
Refundable advance	10,222,559	10,228,499
Due to fiduciary parties	51,580	58,368
Total current liabilities	14,101,227	11,710,498
Other liabilities, due to Ben Franklin Technology Development Authority (Note 11)	696,157	1,279,363
Total Liabilities	14,797,384	12,989,861
Net Assets:		
Unrestricted:		
Designated as endowment (Note 6)	5,434,349	5,805,305
Other	1,440,237	2,403,261
Total unrestricted	6,874,586	8,208,566
Temporarily restricted (Note 9)	837,039	1,161,151
Total Net Assets	7,711,625	9,369,717
Total Liabilities and Net Assets	$ 22,509,009	$ 22,359,578

(Concluded)

TEAM PENNSYLVANIA FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Gains:						
Commonwealth of Pennsylvania, Department of Community and Economic Development (DCED) grants	$ 131,634	$ 500,000	$ 631,634	$ 341,400	$ 299,840	$ 641,240
Department of Education grant	10,445	-	10,445	-	-	-
NADF Opportunity Fund	639,740	-	639,740	977,526	-	977,526
Program fees, events and sponsorships	5,319	106,350	111,669	11,175	382,391	393,566
Contributions	191,975	60,000	251,975	134,963	557,208	692,171
Interest	30,077	2,372	32,449	22,385	1,996	24,381
Other	23,235	7,175	30,410	205	-	205
Net assets released from restrictions (Note 10)	1,000,009	(1,000,009)	-	1,771,446	(1,771,446)	-
Total revenue	2,032,434	(324,112)	1,708,322	3,259,100	(530,011)	2,729,089
Gain on investment in Novitas Capital, L.P.	84,649	-	84,649	-	-	-
Total revenue and gains	2,117,083	(324,112)	1,792,971	3,259,100	(530,011)	2,729,089

(Continued)

The accompanying notes are an integral part of these financial statements.

TEAM PENNSYLVANIA FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015
(Continued)

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Expenses and Losses:						
Programs (Note 8)	1,966,617	-	1,966,617	3,006,765	-	3,006,765
Administration	334,483	-	334,483	315,042	-	315,042
Fundraising	70,284	-	70,284	120,798	-	120,798
Total expenses	2,371,384	-	2,371,384	3,442,605	-	3,442,605
Loss on investments designated as endowment	165,106	-	165,106	124,738	-	124,738
Loss on investment in:						
Draper Triangle Ventures, L.P.	914,573	-	914,573	252,783	-	252,783
Novitas Capital, L.P.	-	-	-	157,330	-	157,330
Loss on pledge forgiveness	-	-	-	295,919	-	295,919
Total losses	1,079,679	-	1,079,679	830,770	-	830,770
Total expenses and losses	3,451,063	-	3,451,063	4,273,375	-	4,273,375
Change in Net Assets	(1,333,980)	(324,112)	(1,658,092)	(1,014,275)	(530,011)	(1,544,286)
Net Assets:						
Beginning of year	8,208,566	1,161,151	9,369,717	9,222,841	1,691,162	10,914,003
End of year	$ 6,874,586	$ 837,039	$ 7,711,625	$ 8,208,566	$ 1,161,151	$ 9,369,717

(Concluded)

TEAM PENNSYLVANIA FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash Flows From Operating Activities:		
Change in net assets	$ (1,658,092)	$ (1,544,286)
Adjustments:		
Income from short-term investments	-	(2,442)
(Gain) loss on investment in:		
Novitas Capital, L.P.	(84,649)	157,330
Draper Triangle Ventures, L.P.	914,573	252,783
Loss on investments held as endowment	165,106	124,738
Depreciation	19,082	4,704
Bad debt	3,750	2,500
Loss on pledge forgiveness	-	295,919
(Increase) decrease in:		
Prepaid expenses	(8,465)	3,435
Grants receivable	339,269	(18,436)
Pledges receivable	57,075	(21,798)
Other receivable	(112,780)	-
Security deposit	5,022	-
Increase (decrease) in:		
Accounts payable	(17,859)	(211,368)
Accrued payroll and payroll taxes	3,344	(7,039)
Deferred revenue	2,417,972	(957,481)
Refundable advance	(5,940)	10,228,499
Due to fiduciary parties	(6,788)	14,608
Total adjustments	3,688,712	9,865,952
Net cash and cash equivalents provided by operating activities	2,030,620	8,321,666

(Continued)

The accompanying notes are an integral part of these financial statements.

TEAM PENNSYLVANIA FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015
(Continued)

	2016	2015
Cash Flows From Investing Activities:		
Amounts received from:		
Board-designated endowment	205,850	-
Novitas Capital, L.P.	-	89,066
Liquidation of short-term investments	509,996	-
Purchase of fixed assets	(86,855)	-
Net cash and cash equivalents provided by investing activities	628,991	89,066
Net Increase in Cash and Cash Equivalents	2,659,611	8,410,732
Cash and Cash Equivalents:		
Beginning of year	12,809,607	4,398,875
End of year	$ 15,469,218	$ 12,809,607

	2016	2015
Supplemental Disclosures of Cash Flow Information:		
During the years ended June 30, 2016 and 2015, the Foundation had the following non-cash transactions:		
Decrease in the asset value of Penn Venture Partners, L.P.	$ (583,206)	$ (924,516)
Decrease in the loan liability to Penn Venture Partners, L.P.	583,206	924,516
Total cash paid	$ -	$ -

(Concluded)

The accompanying notes are an integral part of these financial statements.

1. NATURE OF ACTIVITIES AND SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Nature of Activity

Team Pennsylvania Foundation (Foundation or Team PA) is a nonprofit organization formed to promote business and job growth in the Commonwealth of Pennsylvania (Commonwealth or Pennsylvania). Funding is provided through donations from the Commonwealth and corporations.

Contributions

Contributions received and earnings thereon are recorded as unrestricted or temporarily restricted support, depending on the existence of donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily restricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Investments

The investments in limited partners in Novitas Capital, L.P., Draper Triangle Ventures, L.P., and Penn Venture Partners, L.P. are recorded at fair value. The limited partners maintain their investments at fair value. Methodologies used to determine fair value of the investments of the limited partnerships as reported in their financial statements follow. Because of the inherent uncertainty of the investments, the estimated fair value of the investments may differ significantly from the ultimate amount realized or from the values that would have been used had a ready market for the investment existed.

For Novitas Capital, L.P., venture capital investments are valued at fair value as determined in good faith by the general partner. If a venture company is publicly traded, the fair value is determined by using the current trade price. If no public market exists for the venture capital investment securities, then fair value is determined by taking into consideration the cost of the securities, prices of recent significant placements of securities of the same issuer, lack of marketability associated with venture capital investments in private companies or unregistered securities, changes in market conditions since the last round of venture financing or since the last reporting period, the value of a minority interest in the investee company, the investee company’s performance as compared to its business plan, the investee company’s progress toward a liquidity event, any financial data and projections of such companies provided to the general partner, and such other factors as the general partner may deem relevant.

For Draper Triangle Ventures, L.P., investments are recorded at fair value as determined by its Portfolio Valuation Committee in accordance with generally accepted accounting principles (GAAP) and the provisions of the limited partnership agreement. The Portfolio Valuation Committee takes into account such factors as the financial condition of each investee, economic and market conditions affecting their operations, recent arm's-length transactions involving similar securities, and any restriction as to disposition of investments. The fair values estimated by the Portfolio Valuation Committee may not necessarily represent the amounts that could be realized from sales or other dispositions of investments, and the differences may be material.

Portfolio investments - the valuation of nonpublic investments may require significant general partner judgment due to the absence of quoted observable prices, inherent lack of liquidity, reliance on unobservable inputs, and the long-term nature of such investments. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment. All of the limited partnership investments have been classified within Level 3 as they have unobservable inputs and trade infrequently or not all. When observable prices are not available for these venture capital investments and there has not been a recent round of equity financing initiated by another third-party investor, the general partner generally may use a valuation technique known as the probability-weighted expected return method (PWERM). This method estimates the value based on the probability-weighted average over specific future exit scenarios, which typically includes, an initial public offering, merger or acquisition, stay private and dissolution or combination thereof. The use of a PWERM consists of calculating the net present value of the estimated future exit scenarios adjusted as appropriate for liquidity, credit market, and/or other risk factors. The selection of appropriate valuation techniques may be affected by the availability and reliability of relevant inputs. The inputs considered by the general partner in estimating fair value of Level 3 venture capital investments include the original transaction price; recent transactions in the same or similar instruments; completed or pending third-party transactions in the underlying investment; specific rights or terms associated with the investment (e.g., conversion features, liquidation preferences or restrictions); expected exit timing and strategy; market values for guideline public companies and relevant merger and acquisition transactions; changes in economic conditions, financing markets and legal or regulatory markets; recapitalizations or other transactions undertaken by the issuer and changes in the investment's operations and/or financial performance. The fair value of Level 3 investments may also be adjusted to reflect illiquidity and/or nontransferability, with the amount of such discount estimated by the general partner in the absence of market information. Assumptions used by the general partner due to the lack of observable inputs may significantly affect fair value and, therefore, the Foundation's results of operations.

For Penn Venture Partners, L.P. (the Partnership), investments are recorded at a fair value as determined by the general partner in the absence of readily determinable fair values. In determining fair value, the Partnership uses various valuation approaches. In accordance with GAAP, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or other inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Fair value is a market-based measure considered from the perspective of a market participant rather that an entity-specific measure. Because of the inherent uncertainty of the investments, the estimated fair value of the investments may differ significantly from the ultimate amount realized or from the values that would have been used had a ready market for the investment existed.

Deferred Revenue

Deferred revenue represents advanced funding from grant contracts and other exchange transactions. Deferred revenue is recognized as revenue as appropriate expenses are incurred.

Refundable Advance

During the year ended June 30, 2015, the Foundation entered into a grant agreement, in the amount of $10,250,000, with the Commonwealth Department of Community and Economic Development (DCED). $10 million of the funding is to be invested in the Pennsylvania Equity Fund, L.P. and $250,000 is to be used to cover the Foundation's program administrative expenses. During the years ended June 30, 2016 and 2015, the Foundation incurred $5,940 and $21,501, respectively, in program administrative expenses. The remaining $10,222,559 and $10,228,499 at June 30, 2016 and 2015, respectively, is shown as a refundable advance. The Foundation is working with the Wolf administration at the Commonwealth to determine the appropriate dispensation of the remaining assets.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

As further discussed above under Investments, the general partners or a valuation committee of the limited partnerships use specific criteria to determine the fair values of their investment portfolios. In many instances, there are no readily ascertainable fair values for certain investments. In these instances, the general partners or valuation committee estimate fair value using current financial information and operating information available, as described above.

Pending Standards Update

Accounting Standards Update (ASU) 2014-09, *"Revenue from Contracts with Customers,"* is effective for the Foundation's financial statements for the year ending June 30, 2020 (as amended by ASU 2015-14). This amendment provides guidance for revenue recognition related to contracts with the transfer of promised goods or services to customers and related disclosures.

ASU 2016-02, *"Leases (Topic 842),"* is effective for the Foundation's financial statements for the year ending June 30, 2021. This amendment will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,"* is effective for the Foundation's financial statements for the year ending June 30, 2019. This amendment aims to improve how a nonprofit organization classifies its net assets and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity. The ASU changes the net asset classification, how underwater donor-restricted endowment funds are treated, increases the information available about liquidity and the availability of resources, requires financial statements for not-for-profits to provide expenses by both nature and function, as well as an analysis of those expenses by both nature and function, along with disclosure of the methods used to allocate those costs among the various functions, and standardizes how an organization presents investment returns and what expenses should be netted against those returns. There are qualitative and quantitative requirements in a number of areas, including net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows. Early application of the amendments in the ASU is allowed.

Management has not yet determined the impact of these amendments on the Foundation's financial statements.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

2. Cash and Cash Equivalents

All liquid investments with a maturity of three months or less when purchased are considered cash equivalents for the purpose of the statements of cash flows. The Foundation maintains cash and cash equivalents at banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2016 and 20155, cash exceeding FDIC limits totaled $14,389,368 and $11,869,853, respectively.

3. Short-Term Investments

At June 30, 2016 and 2015, the Foundation held the following bank certificates of deposits as short-term investments:

	2016	2015
Centric Bank CD, due July 25, 2015	$ -	$ 254,998
Centric Bank CD, due July 25, 2015	-	254,998
	$ -	$ 509,996

The above amounts include accrued interest. Upon maturity in July 2015, the investments were liquidated.

4. Pledges Receivable

Unconditional promises to give are recorded as pledges receivable once the Foundation receives written notification from a donor of the intent to give. These receivables are not collateralized.

	2016	2015
Total gross pledges	$ 186,750	$ 244,800
Allowance for uncollectible pledges	(3,750)	-
Unamortized present value discount at 1.76% and 1.76%, respectively	(2,543)	(3,518)
Net pledges receivable	$ 180,457	$ 241,282
Amounts due in:		
Less than one year	$ 131,500	$ 176,374
One to three years	48,957	64,908
	$ 180,457	$ 241,282

5. Leasehold Improvements and Equipment

Leasehold improvements and equipment (fixed assets) are carried at cost or fair value, if donated, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from three to fifteen years. The costs of maintenance and repairs are charged to expense as incurred, whereas significant renewals and betterments are capitalized. It is the Foundation's policy to capitalize depreciable assets with a cost of $2,500 or more. The asset cost and accumulated depreciation are removed from the accounts for assets sold or retired, and any resulting gain or loss is included in the statements of activities in the period of disposal.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Specific components of fixed assets are as follows:

	2016	2015
Leasehold improvements	$ -	$ 108,329
Furniture	14,232	65,913
Equipment	84,901	292,019
Total	99,133	466,261
Less accumulated depreciation	18,072	452,973
Total fixed assets, net	$ 81,061	$ 13,288

6. Amounts Designated as Endowment

During the year ended June 30, 2005, the Foundation's Board of Directors (Board) approved designating an initial amount of $1 million to function as an endowment. In the ensuing years, the Board has periodically acted to designate surplus cash flows—primarily from the maturity of its venture capital funds—as endowment. At June 30, 2016 and 2015, there were no donor-restricted endowment funds. All net assets associated with the Board-designated endowment are reported as a separate component under unrestricted net assets.

Through the fiscal year ended June 30, 2015, the Board's intent had been to optimize endowment growth so that in the future it will generate sufficient income to offset a portion of programmatic and other expense. During the fiscal year ended June 30, 2016, the Board acted to appropriate endowment funds for the following purposes: 1) a one-time transfer of $80,850 to fund office relocation expenses, and 2) a general transfer of $125,000 to support operating expenses.

The Board has adopted an investment policy that allows for annual and discretionary spending, although all spending in a given fiscal year must first be approved by the Board. In order to achieve a long-term rate-of-return that can allow for annual endowment appropriations without the erosion of endowment value, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-type investments to achieve its long-term return objectives within prudent risk constraints.

As noted immediately above, all spending must first be approved by the Board. Current authorized spending parameters are 3.75% of the prior 12 quarters' values through March 31 of the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing these parameters, the Foundation considered the expected long-term return on its endowment. Accordingly, over the long-term, the Foundation expects its endowment to grow at an annual rate of 3.75%. This is consistent with the Foundation's objective to maintain the long-term purchasing power of the endowment and to provide for additional real growth through new gifts, investment return, and other asset transfers.

At June 30, 2016 and 2015, the Foundation's endowment, managed by Hirtle, Callaghan and Co. and held by Deutsche Asset and Wealth Management, was invested in cash, cash equivalents, equities, and fixed income securities as follows:

	2016	2015
Cash and cash equivalents	$ 318,514	$ 506,234
Equity mutual funds	3,725,391	3,894,677
Fixed income mutual funds	1,390,444	1,404,394
Total investment	$ 5,434,349	$ 5,805,305

The loss on investments for the years ended June 30, 2016 and 2015 is comprised of the following:

	2016	2015
Investment income	$ 73,346	$ 73,932
Realized gains	272,980	272,746
Unrealized losses	(511,432)	(471,416)
	$ (165,106)	$ (124,738)

The Foundation's endowment had the following activity for the years ended:

	2016	2015
Beginning of year	$ 5,805,305	$ 5,930,043
Investment return:		
Change in value	(511,432)	(471,416)
Investment income	346,326	346,678
Distributions	(205,850)	-
End of year	$ 5,434,349	$ 5,805,305

7. Fair Value Measurements

The Foundation follows Accounting Standards Codification (ASC) 820, which defines fair value, establishes a framework for measuring fair value in GAAP, and requires expanded disclosures about fair value measurements. Expanded disclosure requirements for the Foundation include disclosures regarding the significant unobservable inputs used for all Level 3 measurements, as well as disclosure of the sensitivity of recurring Level 3 fair value measurements to changes in the unobservable inputs used. ASC 820 establishes a fair value hierarchy that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity, and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, essentially an exit price. The hierarchy ranks quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices in active markets for identical assets and liabilities
Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
Level 3 – Unobservable inputs not corroborated by market data

For financial instruments that have quoted market prices in active markets, the Foundation uses the quoted market prices as fair value and includes those financial instruments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value and financial instruments are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs discussed in Note 1 that are unobservable and include the Foundation's own determinations of the assumptions that a market participant would use in pricing the asset. The Foundation considers its financial instruments to be Level 1 and Level 3 assets at June 30, 2016 and 2015.

The preceding methods described may produce computed fair values that may not be indicative of net realized values or reflective of future fair values. Furthermore, while the Foundation 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 the financial instruments could result in different fair value measurements at the reporting date.

The table below presents the Foundation's assets that are measured at fair value at June 30, 2016:

	Level	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Cash and Cash Equivalents	1	$ 318,514	$ 318,514	$ -
Equity Mutual Funds:				
Large Cap Growth	1	731,806	775,264	(43,458)
Large Cap Value	1	524,493	631,533	(107,040)
Small Cap Equity	1	118,246	141,874	(23,628)
International Equity	1	1,362,226	1,723,833	(361,607)
Emerging Markets	1	487,874	559,298	(71,424)
Commodities	1	407,897	513,876	(105,979)
Real Estate	1	92,849	77,657	15,192
Fixed Income Mutual Funds:				
High Yield	1	371,808	417,709	(45,901)
Inflation Protected	1	358,151	345,273	12,878
U.S. Corporate Investment Grade	1	256,839	250,860	5,979
U.S. Government	1	212,053	203,460	8,593
Mortgage/Asset Backed	1	191,593	189,092	2,501
		$ 5,434,349	$ 6,148,243	$ (713,894)
Limited Partnerships:				
Novitas Capital	3	$ 316,189		
Draper Triangle Ventures	3	165,384		
Penn Venture Partners	3	696,157		
		$ 1,177,730		

The table below presents the Foundation's assets that are measured at fair value at June 30, 2015:

	Level	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Cash and Cash Equivalents	1	$ 506,234	$ 506,234	$ -
Equity Mutual Funds:				
Large Cap Growth	1	742,335	690,075	52,260
Large Cap Value	1	516,405	569,299	(52,894)
Small Cap Equity	1	126,719	134,848	(8,129)
International Equity	1	1,472,223	1,590,846	(118,623)
Emerging Markets	1	510,583	517,820	(7,237)
Commodities	1	448,265	507,204	(58,939)
Real Estate	1	78,147	67,426	10,721
Fixed Income Mutual Funds:				
High Yield	1	390,468	412,253	(21,785)
Inflation Protected	1	357,517	357,890	(373)
U.S. Corporate Investment Grade	1	198,532	200,279	(1,747)
U.S. Government	1	234,169	231,006	3,163
Mortgage/Asset Backed	1	223,708	222,588	1,120
		$ 5,805,305	$ 6,007,768	$ (202,463)
Limited Partnerships:				
Novitas Capital	3	$ 231,540		
Draper Triangle Ventures	3	1,079,957		
Penn Venture Partners	3	1,279,363		
		$ 2,590,860		

A reconciliation of the beginning and ending balances of Level 3 assets for June 30, 2016 and 2015 is presented below:

		Limited Partnerships		
	2016 Total	Novitas Capital	Draper Triangle Ventures	Penn Venture Partners
Beginning balance	$ 2,590,860	$ 231,540	$ 1,079,957	$ 1,279,363
Total net income (losses) (realized/unrealized)	(1,411,310)	86,469	(914,573)	(583,206)
Purchases, issuances, settlements, and other partnership adjustments, net	(1,820)	(1,820)	-	-
Ending balance	$ 1,177,730	$ 316,189	$ 165,384	$ 696,157
The amount of total gains (losses) for the period included in earnings attributable to the change in fair value relating to assets still held at June 30, 2016	$ (933,327)	$ 258,302	$ (898,617)	$ (293,012)

		Limited Partnerships		
	2015 Total	Novitas Capital	Draper Triangle Ventures	Penn Venture Partners
Beginning balance	$ 4,014,555	$ 477,936	$ 1,332,740	$ 2,203,879
Total net income (losses) (realized/unrealized)	(1,334,629)	(157,330)	(252,783)	(924,516)
Purchases, issuances, settlements, and other partnership adjustments, net	(89,066)	(89,066)	-	-
Ending balance	$ 2,590,860	$ 231,540	$ 1,079,957	$ 1,279,363
The amount of total gains (losses) for the period included in earnings attributable to the change in fair value relating to assets still held at June 30, 2015	$ (1,515,513)	$ (191,494)	$ (1,079,045)	$ (244,974)

8. Program Services

The Foundation provides support for the following projects and initiatives:

	2016	2015
DCED Collaborative Initiative:		
In partnership with DCED, these programs provide marketing, technical assistance, consulting engagements, collateral material development, conferences, and other activities that advance DCED's community and economic development objectives.	$ 379,155	$ 841,474
Tourism Promotion:		
This is a collaborative effort among DCED, Team PA, and the Pennsylvania Association of Travel and Tourism to develop a consistent statewide brand in a collaborative manner with both the public and private sectors.	805,927	512,748
Team Pennsylvania Foundation Partnerships and Initiatives:		
To carry out our organizational mission, Team PA staff engage in diverse aspects of policy and programmatic development on all levels, both public and private. These initiatives are designed to have a lasting impact on improving Pennsylvania's economy and often do not require long-term organizational resource commitments.	318,755	475,040
For the Future:		
The For the Future or SmarterPA coalition is a group of educators, teachers, Pennsylvania employers, and community leaders who collaborate to ensure today's Pennsylvania high school graduates are well prepared to achieve success in postsecondary education and in today's highly competitive global economy. This is accomplished by supporting standards that raise rigor and accountability in the classroom.	-	251,656

	2016	2015
Pennsylvania Commission for Women:		
The Commission for Women, which was created by Executive Order and consists of volunteer members, is responsible for advising the Governor on policies and legislation that impact women; supporting economic and civic opportunities for women; encouraging mentoring programs for girls and young women; identifying programs and opportunities for the benefit and advancement of women; and serving as a resource center for Pennsylvania women.	2,461	239,434
Teacher Evaluation Technical Assistance Grant:		
This is a private grant-funded project that provides research and technical assistance to establish a legitimate and valid educator evaluation system.	-	153,112
Pennsylvania Higher Education Initiative in India:		
This initiative seeks to partner with participating colleges and universities in Pennsylvania to promote their institutions to potential students in India. It includes collaborating with participating colleges and universities to develop a long-term targeted strategy for each institution.	91,030	124,030
PREP Customer Relationship Management (CRM) Data Base:		
Team PA collaborated with DCED on an initiative to identify and select a contractor to deploy a CRM software system for the Partnerships for Regional Economic Performance (PREP) networks throughout the Commonwealth. The CRM system allows economic development partners to communicate and collaborate in their client networks.	17,073	111,387
International Business Support and Initiatives:		
Team PA supported DCED's Office of International Business Development (OIBD) in their efforts to increase Pennsylvania exports and secure foreign direct investment.	66,240	88,971

	2016	2015
Governor's Residence Preservation Fund:		
Working with the Office of the First Lady of the Commonwealth of Pennsylvania, Team PA sponsors maintenance and improvement projects that seek to preserve the aesthetic features of the Governor's Residence.	3,704	63,350
New Skills for Youth		
Team PA worked in collaboration with the Pennsylvania Department of Education to receive a Phase One planning grant for the New Skills for Youth (NSFY) initiative, which aims to improve career readiness for students across the country.	10,445	-
High Growth Initiative:		
In partnership with DCED, these programs provide marketing, technical assistance, consulting engagements, collateral material development, conferences, and other activities that advance DCED's community and economic development objectives in reaching out to High Growth firms.	61,499	55,048
Promising Futures for Pennsylvania's Youth:		
In partnership with the Pennsylvania Department of Education, Team PA sponsors an initiative to increase the graduation rate and open the doors of educational opportunity to thousands of Pennsylvania students. Opening Doors joins the national challenge to end the high school dropout epidemic, and to raise the nation’s graduation rate to 90 percent by 2020. The program will focus on identifying middle grade students who are likely to drop out before graduating and help keep them on a path to earning a diploma.	142,175	62,474
Governor's Action Team (GAT):		
Comprised of high-level economic development professionals who report directly to the Governor, GAT works with domestic and international businesses, as well as professional site consultants, to facilitate projects that have job creation potential but require significant investment.	68,153	28,041
	$ 1,966,617	$ 3,006,765

9. Temporarily Restricted Net Assets

	2016	2015
Time restricted, for future years, pledges receivable	$ 180,457	$ 241,282
Purpose restricted:		
Teacher Evaluation Model	1,991	1,991
Novitas Capital, L.P.	16,000	16,000
Keynet Alliance	145,774	145,774
Keystone Innovation Zone Conference	24,794	27,146
Teacher Evaluation Technical Assistance Grant	84	84
School Dropout Prevention	443	142,618
Pennsylvania Commission for Women	13,303	4,708
India Higher Education Initiative	46,405	34,908
International Business Development	220,524	236,471
Latino Affairs	971	2,059
Financial Education Literacy Fund	900	900
Police Statute Education	20,000	20,000
Statewide Young Professionals	5,479	5,479
Governor's Residence Preservation Fund	98,246	101,381
VisitPA Tourism Initiative	10,764	10,713
Tourism Brand Development	47,267	166,000
STEM Jobs 1st	3,637	3,637
	$ 837,039	$ 1,161,151

10. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses or investments satisfying the restricted purpose or by the passage of time.

	2016	2015
Time restrictions expired or forgiveness, pledges receivable	$ 100,825	$ 434,921
Purpose restrictions accomplished:		
Tourism Promotion	638,733	381,340
Teacher Evaluation Model	-	81,002
For the Future	-	251,686
International Business Development	17,640	50,111
Teacher Evaluation Technical Assistance Grant	-	70,291
Pennsylvania Commission for Women	2,461	239,434
India Higher Education Initiative	91,030	124,030
Governor's Commission on Latino Affairs	1,089	1,092
Governor's Residence Preservation Fund	3,704	63,350
School Dropout Prevention	142,175	62,474
Other Projects and Initiatives	2,352	11,715
	$ 1,000,009	$ 1,771,446

11. Investments

Novitas Capital, L.P.

Novitas Capital, L.P. (Novitas) was established in recognition of the lack of early stage venture capital in the Commonwealth and seeks to provide certain amounts of such capital to high-tech companies. The Foundation has a 20% ownership interest in Novitas.

In prior years, the Foundation received a total of $10,000,000 in grant funds from the Commonwealth DCED. The grant funds have been invested in Novitas, as provided by the grant contract. As of June 30, 2016, $16,000 remains to be invested in Novitas.

Components of the gain (loss) on investment in Novitas recorded in the Foundation's financial statements, based on allocations per the partnership agreement, consist of:

	2016	2015
Unrealized gains (losses) based on venture capital portfolio investments at fair value	$ 294,822	$ (243,902)
Realized losses on venture capital portfolio investments	(204,530)	-
Operating gains (losses)	(5,643)	86,572
	$ 84,649	$ (157,330)

Distributions to the Foundation may be made from time to time based on Novitas' partnership agreement. The partnership agreement with Novitas was scheduled to terminate in October 2007, but amendments have been executed on several occasions that extended the partnership agreement.

In May 2014, the partners agreed to a final liquidation and termination of the partnership. Since December 31, 2014, the partnership has been operating under an approved termination plan that can be updated as needed. While the general partner can provide no guarantees on the date of final liquidation of all of the partnership's investments, based on the estimated time frame for the sale of the partnership's last portfolio security, the general partner estimates that the final liquidation and dissolution of the partnership will occur by February 28, 2017.

The unaudited condensed balance sheets of Novitas Capital, L.P. as of June 30, 2016 and 2015 are summarized below:

NOVITAS CAPITAL, L.P.
(a limited partnership)

	2016	2015
Venture capital investments, at fair value	$ 2,044,533	$ 2,044,535
Cash and temporary investments	60,485	707,885
Total assets	2,105,018	2,752,420
Liabilities	-	619,788
Partners' capital	$ 2,105,018	$ 2,132,632

The unaudited condensed statements of operations of Novitas Capital, L.P. for the years ended June 30, 2016 and 2015 are summarized below:

NOVITAS CAPITAL, L.P.
(a limited partnership)

	2016	2015
Investment income	$ -	$ 619,788
Total expenses	(35,271)	(97,623)
Realized losses on venture capital portfolio investments	(1,277,189)	-
Unrealized gains (losses) based on venture capital portfolio investments at fair value	1,291,512	(955,468)
Net loss	$ (20,948)	$ (433,303)

Draper Triangle Ventures, L.P.

Draper Triangle Ventures, L.P. (Draper) was established to provide capital to early-stage ventures in the same manner as Novitas. In prior years, the Foundation received a total of $3,000,000 from the Commonwealth DCED for investment in Draper, as provided by the grant agreement. As of June 30, 2016, all funds had been invested in Draper. The Foundation has a 6% ownership interest in Draper.

Components of the loss on investment in Draper recorded in the Foundation's financial statements, based on allocations per the partnership agreement, consist of:

	2016	2015
Unrealized losses based on venture capital portfolio investments at fair value	$ (911,594)	$ (247,410)
Realized gains (losses) on venture capital portfolio investments	882	(1,244)
Operating losses	(3,861)	(4,129)
	$ (914,573)	$ (252,783)

Distributions to the Foundation may be made from time to time based on Draper's partnership agreement. The partnership agreement was scheduled to terminate in November 2011. Amendments had been approved that extended the partnership agreement through December 31, 2013. Effective January 1, 2014, Draper entered into a plan of liquidation. In the event of a liquidation, the partnership agreement does not define or limit the time period for liquidation.

The unaudited condensed balance sheets of Draper Triangle Ventures, L.P. as of June 30, 2016 and 2015 are summarized below:

DRAPER TRIANGLE VENTURES, L.P.
(a limited partnership)

	2016	2015
Venture capital investments, at fair value	$ 13,764,116	$ 18,882,202
Cash and temporary investments	253,178	602,224
Proceeds receivable from sale of investments	19,555	152,153
Total assets	14,036,849	19,636,579
Liabilities	-	-
Partners' capital	$ 14,036,849	$ 19,636,579

Subsequent to June 30, 2016, the value of an investment held by Draper Triangle Ventures, L.P. was reduced to zero. As a result, the Foundation reduced the value of its investment in Draper Triangle Ventures, L.P. at June 30, 2016 by $599,844. This adjustment is included in the loss on investment in Draper Triangle Ventures, L.P. on the statement of activities for the year ended June 30, 2016.

The unaudited condensed statements of operations of Draper Triangle Ventures, L.P. for the years ended June 30, 2016 and 2015 are summarized below:

DRAPER TRIANGLE VENTURES, L.P.
(a limited partnership)

	2016	2015
Investment income	$ 19,556	$ -
Total expenses	(71,806)	(73,685)
Realized gains (losses) on venture capital portfolio investments	15,738	(19,175)
Unrealized losses based on venture capital portfolio investments at fair value	(5,563,218)	(4,434,727)
Net loss	$ (5,599,730)	$ (4,527,587)

Penn Venture Partners, L.P.

Penn Venture Partners, L.P. (Penn Venture) was established to acquire debt and equity interests in privately held and publicly held business enterprises. The Foundation received a $4,000,000 noninterest-bearing loan from Ben Franklin Technology Development Authority (BFTDA). The amount was invested in Penn Venture, as provided by the loan agreement. All amounts received from BFTDA to invest in Penn Venture, along with any operating distributions from Penn Venture to the Foundation, and any interest earned by the Foundation on amounts received from BFTDA, are due to BFTDA by the date of dissolution and termination of Penn Venture. However, if the amount ultimately realized from the investment in Penn Venture is less than the $4,000,000 borrowed, BFTDA has agreed to accept the lesser amount as complete payment for the amount owed to BFTDA. A security interest in the dedicated account and the dedicated funds are pledged as collateral.

Due to the nonrecourse nature of the BFTDA loan, all investment income is offset by a corresponding adjustment to the loan balance. Therefore, the Penn Venture investment generates annual net investment income of $0. Actual investment income (losses), excluding the loan adjustment offset, consists of:

	2016	2015
Operating losses	$ (251,292)	$ (509,260)
Realized losses on venture capital portfolio investments	(2,877)	(135,407)
Unrealized losses based on venture capital portfolio investments at fair value	(329,037)	(279,849)
	$ (583,206)	$ (924,516)

The Foundation has a 24% ownership interest in Penn Venture. As of June 30, 2016, the Foundation had satisfied its investment obligation.

Distributions to the Foundation may be made from time to time based on the partnership agreement. The partnership shall continue in existence until two years after the Small Business Administration leverage has been repaid, unless sooner dissolved as guided by the partnership agreement. The general partner has the right to extend the term for three one-year periods to permit the prudent disposition of the partnership's assets, provided however, that in no event shall the termination date extend beyond September 1, 2020.

The unaudited condensed balance sheets of Penn Venture as of June 30, 2016 and 2015 are summarized below:

PENN VENTURE PARTNERS, L.P.
(a limited partnership)

	2016	2015
Venture capital investments	$ 19,119,282	$ 17,764,094
Cash and temporary investments	19,352	669,460
Capital contribution receivable	428,873	-
Other assets	86,104	677,944
Total assets	19,653,611	19,111,498
Liabilities	14,148,734	13,547,585
Partners' capital	$ 5,504,877	$ 5,563,913

Subsequent to June 30, 2016, the value of an investment held by Penn Venture was reduced by 37%. As a result, the Foundation reduced the value of its investment in Penn Venture at June 30, 2016 by $571,882. This adjustment is reflected in the BFTDA loan balance at June 30, 2016.

The unaudited condensed statements of operations of Penn Venture for the years ended June 30, 2016 and 2015 are summarized below:

PENN VENTURE PARTNERS, L.P.
(a limited partnership)

	2016	2015
Investment income	$ 82,092	$ 46,401
Total expenses	(1,289,228)	(1,361,656)
Realized losses on venture capital portfolio investments	(313,389)	(331,611)
Unrealized gains (losses) based on venture capital portfolio investments at fair value	993,100	(2,228,003)
Net loss	$ (527,425)	$ (3,874,869)

Provisions in the partnership documents allow the general partner to move its loss to the limited partners. No decision on this possible transaction has been made by the partnership, however, management of the partnership has indicated that it is likely. If such a transaction occurs, then the Foundation would incur a writedown of its investment offset by a writedown of the liability to BFTDA.

12. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Foundation leased office space, including parking spaces, under long-term operating leases that expired in May 2014. Effective January 1, 2014, the Foundation entered into a ten-year lease with Metro Bank for office space that was in need of renovations prior to occupancy. At June 30, 2014 and into fiscal year 2014-15, the Foundation had yet to begin renovations on the Metro Bank space, and its landlord under the expired lease agreed to allow the Foundation to continue leasing its current office space on a monthly basis at the rate of $9,243 per-month.

On March 27, 2015, the Foundation and Metro Bank agreed to terminate the above-noted lease. Under the conditions of the termination agreement, the Foundation was obligated to fulfill its lease commitments through December 31, 2014, and the Foundation agreed to release Metro Bank from its outstanding gift pledge obligation of $295,919 at December 31, 2014. The amount of the pledge forgiveness was included in loss on pledge forgiveness at June 30, 2015.

On July 29, 2015, the Foundation entered into a 40-month lease with St. John Holdings, Inc. for office space in Harrisburg, Pennsylvania. The Foundation was liable for monthly lease payments upon taking occupancy, which occurred in November 2015, although in months one through five, the Foundation was not liable to pay any monthly rent. Additionally, the lease contains a renewal option for a term of five years.

Future fiscal years' minimum lease payments under the lease with St. John Holdings, Inc. are as follows:

Year ending June 30,	Amount
2017	$ 61,756
2018	63,532
2019	37,807

The Foundation leases a vehicle at a cost of $325 per-month and additional parking spaces under month-to-month leases.

The total lease expense for the years ended June 30, 2016 and 2015 was $66,954 and $126,990, respectively.

Grant Contracts

The Foundation receives grant contracts from various sources in its normal course of operations. Some of the grant contracts require separate audits that are submitted to DCED. The retention of the funds is contingent upon the approval of the audits by DCED. Not all the applicable audits have been submitted and approved by DCED.

13. INCOME TAXES

The Internal Revenue Service has determined that the Foundation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. It is also exempt for state purposes. The Foundation is, however, subject to tax on unrelated business income. There were no income taxes due for unrelated business income for the years ended June 30, 2016 and 2015.

The Foundation annually files a Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service.

14. RELATED PARTY TRANSACTIONS

The Foundation contracted with McNees, Wallace and Nurick for legal services and renting office space. A member of the Foundation's Board is the Chairman of McNees, Wallace and Nurick. For the year ended June 30, 2016, the Foundation paid $3,295 for legal services and $27,890 for office space. For the year ended June 30, 2015, the Foundation paid $45,740 for legal services and $120,165 for office space.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

Supplementary Information

TEAM PENNSYLVANIA FOUNDATION

SCHEDULE OF PROGRAM EXPENSES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Salaries and benefits	$ 197,293	$ 367,070
Payroll taxes	15,085	28,133
Insurance	7,958	10,736
Rent/janitorial	39,934	84,482
Professional fees	26,901	32,951
Consulting fees	975,885	1,170,904
Voice/data/mail	10,255	8,739
Office supplies	2,371	401
Travel	9,457	15,710
Marketing and communication	84,816	55,045
Conferences and meetings	113,693	59,224
Contributions	-	35,356
Special events	8,619	145,657
Sponsorships	9,166	50,000
Membership/subscriptions	585	512
Office software and equipment	48,923	2,352
Training	3,374	2,173
Partnerships and program development	179,349	109,913
Grant-related expenses	61,167	193,618
Opportunity fund	153,195	622,708
Depreciation	15,699	3,047
Miscellaneous	2,892	8,034
	$ 1,966,617	$ 3,006,765

TEAM PENNSYLVANIA FOUNDATION

SCHEDULE OF ADMINISTRATION EXPENSES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Salaries and benefits	$ 185,916	$ 133,972
Payroll taxes	18,030	12,895
Insurance	2,649	6,301
Rent/janitorial	16,384	24,824
Professional fees	15,193	69,513
Consulting fees	41,384	12,804
Voice/data/mail	3,726	4,966
Office supplies	490	3,635
Travel	3,924	549
Marketing and communication	11,560	6,108
Conferences and meetings	1,616	7,854
Membership/subscriptions	1,537	3,608
Office software and equipment	5,600	7,834
Training and staff development	-	5,453
Partnerships and program development	949	-
Property expenses	-	1,007
Grant-related expenses	5,433	-
Depreciation	2,617	1,183
Bad debt expense	3,750	2,500
Miscellaneous	13,725	10,036
	$ 334,483	$ 315,042

TEAM PENNSYLVANIA FOUNDATION

SCHEDULE OF FUNDRAISING EXPENSES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Salaries and benefits	$ 28,759	$ 58,545
Payroll taxes	2,580	5,454
Insurance	1,741	1,989
Rent/janitorial	8,549	18,756
Development	12,694	16,803
Voice/data/mail	1,910	1,768
Office supplies	5,876	77
Travel	2,142	1,290
Marketing and communication	-	12,823
Conferences and meetings	123	1,522
Training	4,320	45
Special events	-	35
Depreciation	766	474
Miscellaneous	824	1,217
	$ 70,284	$ 120,798